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The Afrikaner in the South African Economy

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or

(The Economic Factor in Bilingualism and
Bi-culturalism in South Africa)

by

O.L. SADIE

15th January, 1966.

CONTENTS

- Chapter I. The Evolution of an Underdeveloped Community.
- Chapter II. The Emergence of a more developed English community.
- Chapter III. The First Economic Movement.
- Chapter IV. The Role of Political Power
- (a) The demographic background to political power.
 - (b) Political power in action.
- Chapter V. The Economic Risorgimento of the Afrikaner.
- (a) The People's Economic Conference of 1939.
 - (b) The Institutions.
 - (c) The Outcome of the Appeal to Sentiment.
 - (d) The New Men.
- Chapter VI. A Quantification of the Afrikaner's Role in the Economy.
- Chapter VII. Conclusion.

TABLES

- Table 1. Population aged 21 years and older and actual voters.
- Table 2. Occupational Distribution of Afrikaners 1946, 1960.
- Table 3. The Afrikaner's share in the Private Sector of the S.A. economy in the Entrepreneurial function.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

1950

REPORT OF THE PHYSICS DEPARTMENT
FOR THE YEAR 1950

The Physics Department at the University of Chicago has been fortunate in the past few years to have had a number of distinguished visitors. These include Professor J. R. Oppenheimer, who spent the summer of 1949 in the department, and Professor L. B. Loeb, who spent the summer of 1950 in the department. Both of these visits have been most profitable to the department and to the university.

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THE AFRIKANER IN THE SOUTH AFRICAN ECONOMY.

By J.L. SADIE.

The term "Afrikaner" is used to denote the Afrikaans speaking section of the white population in South Africa. Designated originally as the "Boer" people¹⁾, as a result of their close - almost exclusive - association with agriculture and stock-breeding, over a period of some two and a half centuries, they gradually became known as the "Afrikaner nation" during the twentieth century, concomitant with the recognition of Afrikaans as the second official language which, for practical purposes, replaced Dutch, while lately the term "Afrikaans speaking community" is increasingly being used, suggesting or stressing a South Africanism among the white population which is no longer divided into two separate nations or peoples, but only into two groups whose distinctive characteristics relate to the language medium rather than to other elements in the respective societies. These terminological changes are representative of a transformation of the South African scene by way of a profound change in, among others, the position and role of the Afrikaner in the South African economy.

1. The Evolution of an underdeveloped people.

In 1657, with the release of officials from the employ of the Dutch East India Company, and the allocation of land to these Free Burghers, as a means of augmenting the scarce supply of agricultural produce, a community was established who identified themselves with the land and, in time if not immediately, came to accept the Cape of Good Hope as their home.

1) "Boer" is the Afrikaans for farmer.

Thus the foundation was laid for the formation of an Afrikaner people.

Centrifugal forces were soon exerting themselves, pushing and drawing the Free Burghers outwards, away from the trading station which was Cape Town. Chief of these was the unlimited availability of land. With labour and capital in scarce supply, it was only natural that land (or natural resources) should figure prominently in the factor proportions. Not only did the cultivation of grains and vegetables in the immediate vicinity of the trading station require relatively large amounts of the former two factors of production, but also the marketing of the produce was hampered by the monopolisation of trade with passing ships by the Dutch East India Company, which even disapproved of private trade with the indigenous population. The clash and dissatisfaction with the authorities induced a desire to be rid of authority by trekking further away. If they were to remain in and around Cape Town in occupations other than farming they would have had to compete with slaves, who were imported to relieve the shortage of labour and who in time became the masons, shoemakers, cartwrights, tailors, etc. Hard life on a farm in self-employment was undoubtedly preferred to earning a living as wage earner.²⁾

Stock-breeding, or perhaps, more correctly, cattle- and sheep-grazing, became the predominant form of agriculture at an early stage. Beyond the periphery of the South Western Cape the low rainfall, the meagre pasturage, and the unfertile soil rendered arable farming unprofitable, apart from the marketing problem involved. These same physical

2) A traveller, of those days, who wanted to know why farmers allowed their children without exception, to follow in their footsteps, elicited the response: "Who would employ our children if we have them learn one or other trade?" See Lubbe, J.J. Lewensomstandighede en opvoeding van die Voortrekkerkind". p.51 (Nasionale Pers 1942.)

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factors necessitated the use of large tracts of land per household, making for a wide scatter of population and a rapid inland movement as new households came into being. A very limited outlay of capital was sufficient to set up as a live stock farmer, or grazier, and net income as a percentage of outlay was much higher in the case of the latter than for the wine farmer, vegetable and grain grower.³⁾ Whether or not the grazier enjoyed a good or fair market for his product⁴⁾, his type of farming was capable of expansion without being very dependent on the market as was the grain farmer. Surpluses could be stored up in the form of an increase in the herd, by way of capital formation, that is, which at the same time supplied him with the most important items in his diet.

And so the Burghers, obliged by a relatively rapid augmentation of their numbers, or seeking new pastures, trekked on, progressively increasing the distances between themselves and the settled community in Cape Town and environment; distances which were not spanned by such means of communication as roads, bridges, mountain passes or navigable rivers. The ox-wagon was the means of transport and often also served as home to the owner. In the process these frontiersmen developed a way of life which represented an adaptation to prevailing circumstances.

These circumstances included precarious climatological conditions in which droughts were alternated with inundations, locust-plagues, pillaging Bushmen and beasts of prey which were a constant threat to the livestock. The resulting uncertainty, unrest, and the perils of life could not but militate against agricultural development.

3) See Neumark, S.D. Economic Influences on the South African Frontier, 1652-1836. p.38 (Stanford University Press, 1957).

4) According to Neumark he did, at least at a later stage. Ibid. chs. 5-7.

The transportation of produce to the market in Cape Town involved, in many cases, a journey lasting some months which was not without its risks, either to the travellers or to the farm left behind, and the development of farms into self-sufficient units was the natural outcome. They lost touch with the market and credit economy. In their system of "Natural-wirtschaft" economic activity was centred on the satisfaction of the needs of the household without the mediation of a market, or a bare minimum of it. Cattle were raised for draught purposes and to supply the family with meat, while sheep were raised for their meat rather than for their wool,⁵⁾ and wealth was measured by the size of the herd and flock. Their participation in trade was confined to irregular visits to the far distant markets to enable them to obtain necessities which they could not produce themselves:- clothing or clothing materials, coffee, sugar, guns, gunpowder, iron for their wagons etc. For certain purposes it would be in order to stress this participation and to aver that "even if the frontiersmen were 99 per cent self-sufficient it was the one per cent that tipped the scale, for it constituted the minimum factor in the frontiersmen's economy"⁶⁾; and the discussion above does not of course apply to all the Burghers all the time. However, in the present context it is the exchange economy and the price system with all their implications which represent the norm, and the 99 per cent reflects an isolation or semi-isolation which is the key to the problem of economic retrogression. In this connexion another writer has maintained that "economic history developed backwards in South Africa - not as actual retrogression, but through necessary adaptation to pioneer conditions."⁷⁾

5) At least until the opening of new harbours on the South Eastern coast of the Cape brought the markets nearer to some of the farmers.

6) Neumark, Op. Cit. p.4.

7) Grosskopf, J.F.W. "Marketing of Agricultural Products". Proceedings of the Johannesburg Conference of the Economic Society of S.A.1925.

The situation is ably summed up by de Kiewiet: "In the long quietude of the eighteenth century the Boer race was formed"

"When the Trekboers entered (the interior) with their flocks and tented wagons, they left the current of European life and lost the economic habits of the nations from which they had sprung. Though they never became true nomads, the mark of nomadism was upon them, and their dominant traits were those of a restless and narrow existence. They had the nomad's appetite for space and possessed the hardness and courage of men of the saddle who watch their flock and hunt their meat. Their wealth was in their cattle and in their sons and grandsons, who were born numerously and who thrived amazingly. Their life gave them a tenacity of purpose, a power of silent endurance, and the keenest self-respect. But the isolation sank into their character causing their imagination to lie fallow and their intellects to become inert".⁸⁾ In the nature of things they did not have the benefit of journals and newspapers. Education, which might have broadened the mental horizons even in geographic isolation, was a bare minimum, consisting of instruction in writing and reading the Bible, the Old Testament of which spoke their spiritual language and whose precepts determined their mode of living. The instructors were the mothers in the families, or, occasionally, itinerant teachers. In the absence of the culture of the city, or of the settled, concentrated community life, the mental processes remained dormant. Instead, they developed a deep-rooted conservatism. The struggle with nature and the dangers of new territory took the place of the competitive struggle of individuals in business and the clash of minds in social life. Business acumen could not develop or remain alive. They lost the taste

8) De Kiewiet, C.W. de K. A History of South Africa. Social and Economic, p.17. (Oxford University Press, 1942). See also Robertson, H.M. South Africa - Economic and Political Aspects, p.7. (Duke University Press, 1957.)

for the convenience of civilization and the refinements of urban society - dressing habits, beautiful homes, keeping up with the Jones's, etc. In the veld the superficial trappings of city life would, in any case, have been incongruous. In the result the marginal utility of income, in the material sense, declined, giving rise to a lowering of the standard of living and an inelastic demand for income. They did not, in any case, brave the dangers of unknown territory for the sake of profits or to seek a fortune. Their living conditions offered no incentive to greater effort than that involved in the chores around the home and the tending of the herds. True enough, they were to some extent their own masons, smiths, carpenters, and shoemakers, but on the whole the manual work was done by non-whites - slaves, Hottentots and, later, Bantu.⁹⁾

The availability of non-white labourers, whether near or far removed from the Cape, did, in fact, diminish or eliminate the necessity of manual work on the part of whites and was responsible for the development of a labour tradition and attitude which has not yet been completely eradicated. Manual work, especially unskilled jobs, as a means to earning a living, came to be regarded as the function of the menial, and looked down upon as an economic activity which would detract from the dignity of the white man who participates in it. This was bound up with a race and colour consciousness which evolved as a result of the inferior position of the dark-skinned slaves and the primitiveness of the brown and black indigenous tribes with whom they came into contact. Colour and race on the one hand and level of civilization or culture, on the other, became inextricably associated.

The Great Trek which started in 1836 and, in contrast to the preceding gradual penetration of the interior, represented a more or less organized

9) Van der Merwe, P.J. Die Trekboer in die Geskiedenis van die Kaapkolonie, p.176. (Nasionale Pers, Cape Town, 1938.)

exodus, inspired by economic and political reasons and an utter dissatisfaction with the authorities, who now were of foreign origin (the British), greatly increased the numbers of the population subject to pioneer conditions. During 1836 - 1845 some 12,000 to 14,000, a number more or less equal to the natural increase of that period, left the colony.¹⁰⁾ Of a large section of these Trekkers, some of them well-to-do and the products of settled and urban communities, it has been said by the Governor of the day that they were "the oldest, most respected families of the district, whose departure meant the loss of fearless, patient, hard-working, religious and law-abiding citizens."¹¹⁾

In the meantime a new element had been introduced in the pioneer conditions which was destined to become a dominant factor in the lives of these migrants. They had, namely, come in contact with the Bantu on the eastern frontier, which started an era of conflict in which looting and ransacking by roving hordes were the order of the day. Three Kaffir Wars had to be waged between 1811 and 1835 and in the last of these the colonists lost 5,400 horses, 111,400 head of cattle and 156,900 sheep, while 455 houses were burned down, ruining thousands of colonists who, "from a state of moderate competency, were in a few days reduced to a miserable dependence upon the charity of the colonial government for daily bread."¹²⁾ From 1836 onwards the conflict would become intensified, developing, in a sense, into an incessant war between nations, as the Bantu felt themselves increasingly threatened by the waves of trekking Boers. The latter, to

10) Robertson, H.M. Op. cit. p.70.

11) Van der Merwe, P.J. "Wie was die Voortrekkers"? Die Huisgenoot Gedenkuitgawe, 1936 p.79.

12) Cited by Thom, H.B. Die Geskiedenis van die Skaapboordery in Suid-Afrika, p.73 (Kaapstad 1936).

protect their kith and kin and break the military power of the Zulu and Matabele had to become skilled in the ways of the veld. Starting at a very youthful age they became expert horsemen and marksmen and brave fighters. They developed the qualities of the rugged pioneer who had to defy the dangers to their very existence, and in the process lost the attributes or aptitudes required for the economic cultivation of the land. The courage and initiative engendered in these circumstances were evidently not characteristics which could be transformed into enterprise and venturesomeness in the economic sphere, when this was called for. A way of life, inimical to economic change, had evolved which rendered a population incapable of adaptation when new circumstances demanded it. In this connexion the land hunger of the Boers and their territorial expansion have basically never been an expression of an acquisitive trait, in the significant sense of a desire to accumulate wealth which could act as a spur to economic development.

In pushing forward the frontier to the boundaries of the present-day South Africa, the Trekkers moved further away from the points of contact with European civilization, so that they remained unaffected by the agricultural, industrial and social revolutions which were transforming economic and social life in Europe. The occupation of new territory simply meant that more land was brought into the orbit of the system of extensive, more or less subsistence, farming. Even after the new political units, the Trekker republics of the Transvaal (the South African Republic) and the Orange Free State, had been established, their inhabitants could not devote all their attention to building up their farms and adapting their farming methods to the natural controls of the newly occupied regions. Much of their time and energy was being used up in punitive expeditions against marauding tribes, and in internal strife. However, the burghers

of the Free State gradually settled down to a peaceful and orderly life in which progress in the cultivation of wheat, maize and wool for the market was registered. In the Transvaal the systematic cultivation of the land was inhibited by the distances from the market, the dry winters which obliged a regular migration of livestock in search of pasturage, and the fact that hunting still provided a means of earning a living.

A time came when the game had been all but exterminated, and available land had been occupied or bought up by speculators, while growth of population numbers was continuing at a rapid rate. Following in the footsteps of their fathers, and without any knowledge or training than that acquired on the farms, sons were given a share in the farming activities or had sections of the farms allocated to them. A system of bywoners, (squatters, sharecroppers) which began as a temporary measure to accomodate landless families developed into a permanent institution. Thus over-occupation of land, and subdivision into uneconomic units, came into being which started a process of progressive impoverishment.¹³⁾

When the industrial revolution was introduced in South Africa by the discovery of diamonds, it made very little impression on the economic or social life of the Boers. Their role as individual diggers dwindled into insignificance when it became clear that deep mining was the only efficient method of exploitation. This demanded capital in the provision of which they could not participate, with the exception of, perhaps, some well-to-do members of the Dutch speaking community in and around Cape Town. Neither were they much interested in the industry, their way of life having left them unprepared for this type of economic activity. This is equally true of gold mining, which was to dominate the economic and political life of South Africa for a long time to come, and which thrust into the midst of

13) See Botha, J.H. Die Arbeidsvraagstuk van Suid-Afrika, pp.219-220 (H.J. Davis, Amsterdam 1928.)

a tradition-bound, agrarian, and economically underdeveloped society an industry completely alien to them and surrounded by all the elements of a highly developed economy: large scale financial transactions, company promotion, credit creation, speculation, etc. Without warning it burst upon the economic scene and found a conservative community unable to participate in its development and to share in the fortunes which it yielded to foreigners. Johannesburg mushroomed into a city whose glittering lights, luxurious shops, feverish activity and mode of life contrasted vividly with the simple life of the farmer who was not allowed the opportunity of adaptation to gradually changing circumstances. Johannesburg was a foreign enclave.

While the city created a profitable market for the produce of the farm it did not elicit too much of a response from agriculture whose methods of cultivation did not undergo any significant change, or, when they did, it was at the expense of the fertility of the soil. Transport riding, in which the Burghers could apply their experience, became a profitable occupation until it lost its economic function to the railway network. Land, which was later proved to contain gold-bearing deposits worth many millions, was sold for a song. The mining industry boomed but the original settlers remained poor. In this connexion one author commented as follows: "Two centuries of solitary pastoral life have not only given them an aversion for commerce, for industrial pursuits, and for finance, but an absolute incapacity for such occupations, so that when gold was discovered in their country, they did not even attempt to work it, but were content to sell, usually at a price far below its value, the land upon which the reefs lay, and move off with the proceeds to resume elsewhere their pastoral life".¹⁴⁾

14) Bryce, J. Impressions of South Africa, p.407 (London, 1900).

The gold mining industry was the glittering prize in the British war against, and conquest of, the republics during 1899-1902. In an attempt to subjugate them quickly British troops followed a scorched earth policy in which around 30,000 farmhouses were burned down and crops and livestock were destroyed,¹⁵⁾ while normal farming activities came to a standstill. In the Orange Free State livestock was reduced by over 50 per cent, which meant a loss of more than half-a-million head of cattle and some three-and-a-half million sheep. The Transvaal republicans lost 75 per cent of their herds. Members of the Cape Dutch speaking community who actively sympathised with the Republics suffered too. According to Genl. Smuts, Milner had said that the last trace of Afrikanerdom had to be wiped out.¹⁶⁾ In all it meant that the Boer population, who were by no means well-off before the war, had upwards of 60 per cent of their real wealth destroyed by the enemy.¹⁷⁾ Directly and indirectly the war was responsible for the death of 34,000 persons, many of them as a result of the rigours of the concentration camps, while the birth of around 7000 children had been inhibited by the exigencies of war. It was a catastrophe which crippled them economically as well as spiritually. Rebuilding their farms after the war they still had to endure the hardships of a long depression which lasted seven years.¹⁸⁾

Many were thus driven off the land and had to find refuge in the towns. Their numbers were swollen by those who could not withstand the onslaughts of droughts, hailstorms, plagues, and soil erosion, and the competition of those who had rationalized their farming methods and been

15) Cf. Macdonald, Ramsay J. What I saw in South Africa (London 1902) spoke of "the devastation of house and home, the wholesale destruction of property, the absolute clearing away of stock..." pp.47-48.

16) Cf. Breytenbach, J.H. Die Betekenis van die Tweede Vryheidsoorlog, p.46 (F.A.K. Johannesburg, 1949)

17) Cf. Sadie, J.L. Die Ekonomiese Ontwikkeling van Suid-Afrika, p.44 (Nasionale Boekhandel, Cape Town 1957); Du Plessis, E.P. h Volk Staas Op p.17 (Human & Rousseau, Cape Town, 1964).

18) Schumann, C.G.W. Business Cycles and Structural Changes in South Africa 1806-1936, Ch. IV (King & Staples, Westminster 1938).

brought into closer contact with the markets through the railway system.

Thus began a completely new phase in the life of a population of whom the majority knew no other life than that associated with the farm and the wide open spaces: the Trek to the urban areas. It contrasted with the preceding orderly and gradual urbanisation of retired persons, government and local officials, small businessmen etc., in that it involved growing numbers who were "pushed" off the land rather than "pulled" by the towns. Exchanging the rustic life for the urban, and particularly the city, milieu was a more radical transition than anything experienced before by the Boer community in its eventful history. If it was disrupting in its social impact, it was equally so in its economic effect. Steeped in the traditions of the agrarian society they had not been prepared, either mentally or vocationally, to cope with the new situation. Where educational and training facilities did exist in the rural areas they were inadequate or assumed a British character foreign to the inhabitants. It has been reported, for instance, that by 1891 in the Cape Colony, where conditions were undoubtedly better in this respect, 58.7 per cent of 99,280 children of schoolgoing age were receiving no systematic school education.¹⁹⁾ Many parents could not afford to send their children to any kind of school, training institution or university, or keep them there for any length of time. And the type of experience gained in the veld - horseman- and marksmanship, hunting, milking, tending flocks, tanning etc. - was of no avail to them in business which demanded other qualities and whose language, in addition, was English. Lacking both the background experience and the training, they could only offer their services in the market for unskilled labour, and in this field the Bantu and Coloured had an advantage over them

19) Du Toit, P. "Van die Breë Beleid van die Volkskongres (1934) tot die Ekonomiese Selfstandmaking as Kernvraagstuk" p. 24 in Federasie van Afrikaanse Kultuurvereniging (F.A.K.) Ekonomiese Volkskongres : 3,4, en 5 Oktober 1939. Bloemfontein. (Johannesburg 1940).

because of their longer association with commerce and industry, and their willingness to work for lower wages than those acceptable to whites, who were supposed not to sink to the same low standard of living. Moreover the "aristocratic" attitude towards manual labour, born out of centuries of land ownership and the association of such labour with non-whites, exerted itself. At a somewhat later stage even crafts and trades came to be looked upon as indicative of poverty and inferiority.

The poverty and demoralization created in the process depicted above fed on themselves in a vicious circle in which the low material level of living meant inadequate food and an unbalanced diet, lack of education, a deterioration of mental qualities and an environment which, together, produced human material doomed to progressively increasing poverty. The last commission which investigated this problem estimated the number of poor whites in 1932 at between 200,000 and 300,000, and most of them Afrikaans speaking.²⁰⁾ They were present in both urban and rural areas. They did not form a majority of the Afrikaner nation which numbered 1,120,770 in 1936, but were a sizable portion. The average level of income of the remaining \pm 75 per cent was, however, not high either, and with some exceptions their background history had not been dissimilar. In sum, we had here a people who, by virtue of a way of life developed over a period of centuries, could be called an underdeveloped community in which the social and cultural institutions and mores, the psychological traits, reinforced by the loss of wealth through exogenous forces, were

20) Carnegie Commission, Die Armblankevraagstuk in Suid-Afrika (Stellenbosch, 1932).

inimical to economic progress.²¹⁾ They were conspicuous for their absence from urban economic activity in any but the capacity of employee. Leadership in commerce and industry, as in most other sectors except agriculture, was in the hands of non-Afrikaners, the large majority of whom were English speaking - which two terms will be used interchangeably.

21) See e.g. Sadie, J.L. "The Socio-Economic Determinants of Economic Growth" Paper delivered before the South African Society for the Advancement of Science, July 1965.

11. The emergence of a more developed English community

The emergence of a non-Afrikaner white population group in South Africa had its roots in the second British occupation of the Cape in 1806 - which was preceded by a brief period of occupation between 1795-1803. Impressed by the fertility of the soil on the eastern border Lord Charles Somerset, the governor of the time, encouraged ~~the~~ immigration from Britain to populate these regions. Apart from 3000 who were assisted under the British Government's emigration scheme, 2,000 more immigrated of their own accord who, together with 800 discharged garrison soldiers, settled in the Eastern Province. As a result of the smallness of the units of land allotted to each and of a lack of experience of South African conditions, and agriculture in general, two-thirds of them soon left the land to become artisans, traders and hunters who concentrated in the new towns of Port Elizabeth, Grahamstown and Bathurst. Those who persevered became successful farmers. Between 1844 and 1847 another 4,300 labourers arrived to settle in the Cape Colony. Thus from the very beginning the majority of British were urban dwellers, who remained in contact with the outside world through their proximity to the ports.

Wresting the Republic of Natal from the Trekkers by proclaiming it British territory in 1834, some 4,000 British emigrants were introduced into a most fertile region of South Africa which, in time, was to become the most English of the four provinces as a result of further regular additions to the population through immigration. Of the 3,000 German soldiers who were encouraged to settle in the Eastern Province early in 1857 about two-thirds remained. In subsequent years Germans continued to arrive in small batches, except for the years 1877-1878 when the volume increased to 1900. The majority of them were absorbed in business and government service in and around Cape Town. By means of a system of

free passages and support for immigrants 9000 British (mostly labourers) were attracted to the Cape Colony during the period 1857-1862.²²⁾

The minority of arrivals before the diamond era engaged in commercial farming, producing cash crops, remaining in regular contact with the market and adding to the density of the occupation of the land, thus promoting regular communication - in contrast with the Dutch speaking Trekkers -, while the rest strengthened the population in urban occupations.

When diamonds were discovered British imperialism promptly extended its sovereignty by annexing the regions in question, thus effectively inhibiting the Boer Republics from deriving any direct benefit from it. The Orange Free State was awarded a paltry sum in compensation. It was the occasion for a rush of immigrants from Europe, and Britain especially, and the importation of large amounts of foreign capital after the initial period of digging by individual miners. It brought the industrial revolution to South Africa, controlled and operated by foreigners and foreign interests. With wool, diamonds became the mainstay of the international balance of payments, diversified the economy and broadened the opportunities for men and women who had the required training, know-how or experience; which excluded the older and established population. If Cape Town had begun to change its character after the British occupation, the second city, - or big town - Kimberley, breathed an even more foreign atmosphere.

Even more hectic than the diamond rush was the influx of immigrants to the Witwatersrand when gold was discovered in 1886. Within a decade the number of foreigners in that area increased to 70,000, out of a total population of around a quarter of a million for the whole of the Transvaal. Within a year they had floated 270 companies for the exploitation of gold with the aid mainly of capital from external sources, and by 1898 the mar-

22) For estimates of immigration figures see, inter alia:- Bössekens, Oberholster, Van Schoor and Olivier, History for the Senior Certificate Ch.VII (Nasionale Boekhandel); De Kock, M.R. The Economic Development of South Africa Ch.III (King & Son, Westminster 1936).

ket value of the shares of the most important ones reached 215 million pounds sterling.²³⁾ The city was rife with speculation in which fortunes were made and lost, but with only a minimal participation by the older inhabitants of the republic. Those who profited from the multiplier effects of the mining industry were also foreigners who dominated trade and non-mining secondary industry, such as there was. This was true even of the economic life in the villages serving the agricultural community.

These new arrivals mostly came from urban centres overseas and were familiar with the ways of the business world, and the sophistication of relatively developed economies. It meant that the English speaking community had continually new blood infused into its ranks; people who - it must be presumed, since they left their mother country to seek a fortune - were filled with the spirit of enterprise, initiative and drive and prepared to take risks, i.e. to assume the function of the industrial and commercial entrepreneur. By contrast, the original settlers multiplied first and foremost by way of the cradle, transferring a non-materialist tradition from one generation to the next.

The non-Afrikaner came in on the "ground floor" in mining, finance, manufacturing industry, commerce and the professions, and reaped all the advantages of those first in the field. Their economic power increased as profits - the most important source of saving - realized in a first venture were ploughed back or invested in a second, a third, etc. Among others, the wealth extracted from the diamond mines was used in the development of the gold mining industry, whose profits were in turn invested in manufacturing concerns, setting in motion a cumulative process of ever

23) Schumann, C.G.W. Op. cit. p.91.

increasing wealth and complete domination of the South African economic scene.

As members of an English or British society - they did not become South Africans, first and foremost, until late in the twentieth century - they did not feel any, or very little, responsibility and compunction towards the impoverished Afrikaner. As a result of his connexions the English speaking person had a much better chance of securing a job with the English employer than the members of the Afrikaner society. Primarily interested in profits the employers preferred non-white unskilled labourers who could be paid low wages. For example, between 1920 and 1925 the number of white mine workers decreased by more than 6,000. Instead of providing on-the-job training opportunities to indigenous unskilled whites, vacancies in the skilled and semi-skilled categories were filled by importing workers. Neither were training facilities in vocational schools and technical colleges provided, despite the short supply of artisans and the surplus of potential candidates available for training. As late as the 1930's more artisans were in some cases being imported than were serving their apprenticeships in South Africa.

In the outcome the trade unions in South Africa were controlled by men nurtured in the habits and traditions of the British workshop, and for a long time maintained the exclusiveness of an industrial elite whose interests were jealously guarded. When, for instance, an Afrikaner-orientated Mine Workers Bond was thought to constitute a threat to the Mine Workers Union - controlled by the old guard of English workers - the latter entered into a contract with the management to observe the "closed shop" principle, which accorded them the power to exclude from employment on the mines anyone who might threaten their hegemony. Not infrequently the trade union bosses became a power unto themselves, whose private interests were to be

promoted. In 1939 it was reputed that 80 per cent of trade union members were Afrikaans speaking, but of the 118 secretaries 100 were foreigners²⁴⁾ who were hostile to anything and anybody of Afrikaans origin. One union boss summed up the position as follows: "Afrikaners looked upon trade unions and the Labour Party as foreign organizations, and the workers' organizations looked upon the Afrikaans people with an air of disdain The labour movement has so far failed almost entirely to appreciate fully the development, tradition, sentiments and aspirations of the masses of Afrikaners".²⁵⁾

The actions of the private sector were reinforced by the policy of the authorities represented by Milner who, after the Anglo-Boer War of 1899-1902, attempted to complete the process of anglicisation which had been started by Lord Charles Somerset in 1822. Milner wanted to strengthen the English influence in the rural areas by getting thousands of British immigrants to settle among the Boers. In this he was not particularly successful. He did, however, succeed in completely anglicising every kind of service where the government had power of appointment. Members of the conquered race were dismissed from their jobs and imported British placed in all positions which carried authority or in the echelons just below these.²⁶⁾ Since most of these persons were young it meant that the absolute domination of the public services by Englishmen and the English language was ensured for a generation or two to come. It also meant that

24) The Afrikaans word "vreemdelinge" used in this context might also have meant "non-Afrikaners". See Hertzog, A. "Arbeidsorganisasie", p.181 in F.A.K. Ekonomiese Volkskongres: 3,4,5 Oktober 1939.

25) Sachs, E.S. in The Forward, 15th July, 1938 (Johannesburg.)

26) Cf. Pauw, S. Beroepsarbeid van die Afrikaner, pp. 73-80. (Pro Ecclesia, Stellenbosch 1946)

the English speaking community, who had been enriched by the millions spent by the British Government on the war with the Republics and by their participation in the exploitation of the mineral wealth of South Africa, were strengthened by new members holding the most highly paid government jobs.

The anglicisation process was complete. In Parliament, the public service, the shop, the factory and even in schools the medium was English. Indeed, remarked one writer, the spiritual enslavement of Afrikaners by 1906 had progressed so far that a select committee had to draw attention specially to the well-nigh unknown fact that there was no limitation on the use of Dutch as educational medium.²⁷⁾ In 1913 an English authoress remarked arrogantly: "We never protest about the things about which we are sure; we take them for granted as part of the unseen and sacred foundations of life. No English person in any part of the world finds it necessary to assert his belief in the English language and the importance of English ideals And so viewed there is something not a little pathetic in the racial assertions of the South African Dutch", and then prophesied: "English methods and the English language are bound increasingly to win their way and permeate the whole structure of society. It cannot be otherwise, because business and commercial development in the country are bound to follow English lines".²⁸⁾ At a later stage the significance of the commercial value of a language was going to be echoed, this time by Afrikaners. The belief was generally held that "since the educated Dutchman necessarily knows English there was no necessity for educated Englishmen to know Dutch".²⁹⁾ To learn Dutch was simply a polite gesture. In fact, using a language other than English in public was labelled racialism

27) Ibid. p.175.

28) Markham, V.R. The South African Scene, p. 187 (London 1913).

29) Ibid. p. 184. Note that the reference is to "Englishmen", not English speaking South Africans.

and a disturbance of the peace.³⁰⁾

In the meantime those Afrikaners who did not have the benefit of an education through the medium of English were very much handicapped in applying for jobs. And those who did, had to be much better qualified than their English counterparts to be considered suitable candidates, and even then they were at a competitive disadvantage.

30) Van den Heever, C.M. General J.B.M. Hertzog, p. 35 (Johannesburg 1943)

111. The First Afrikaner Economic Movement.

Those Dutch speaking families who remained in and around Cape Town, when the others emigrated into the interior, developed into a stable and progressive community and a few of them became relatively wealthy. Although farming remained their main source of earning a living, they participated in the establishment of district banks during the hey-day of this type of financial institutions (1836-1870). In the end only one survived - the Stellenbosch District Bank which is today financially very strong - the others having gone bankrupt or been swallowed up by the large Imperial Banks. Some became directors of Boards of Executors and other trust and deposit-receiving institutions, and others were leading personalities in the political life of the Cape. Most importantly, perhaps, they initiated the struggle for the recognition of Afrikaans, which had developed, out of Dutch, as a new language. It was a struggle against those in their own ranks who preferred to retain Dutch as the language of the Church and the school even though Afrikaans was the medium in everyday usage, and against the overpowering influence of the English language. It is, of course, impossible to say what the outcome would have been had there been among the English no resistance to "die Taal" and disdain for its users. However, the hostility towards it provided a rallying point for the mobilization of Afrikaner forces, which spilled over into the economic field.

The economic renaissance of the Afrikaner might be said to have started with the founding of "Die Burger", a Dutch, and very soon Afrikaans, medium newspaper in 1915. This venture into the business world was not, in the first place, a purely commercial undertaking for the sake of the profits it might yield. It was politically inspired, established to promote the ideas of General Hertzog who was pushed out of the Botha

Government, when he adopted as his main principle "South Africa First", that is, that the interests of South Africa, not those of the British Empire, should enjoy supremacy. The leading spirit in the venture was W.A. Hofmeyr.³¹⁾ The main source of finance was a wealthy Afrikaner, Jannie Marais, who was approached three times for financial aid and each time responded magnanimously, and who promised that while he was alive "Die Burger" would not die. The Directors, who among themselves subscribed to the share capital of the company, approached individuals and persuaded them to take up shares. The first few years of its existence were a period of incessant struggle. Its English counterpart, "The Cape Times" started a campaign of vilification alleging that "Die Burger" was bludgeoning advertisers into supporting him by threatening the non-advertisers with a boycott by members of the Nationalist Party (founded by Genl. Hertzog). In 1916 pressure was brought to bear upon advertisers, who were, of course, mostly English firms to boycott "Die Burger", which they did, with the result that the size of the paper as well as its personnel had to be reduced. "The Jingo persecution" wrote the paper in one of its leaders during those troublous times in which even its building had to be guarded by volunteers against anti-Afrikaner mobs which threatened to burn it down, "will not exterminate the Afrikaner, but will act as a spur to develop himself to a position of independence in the commercial and economic fields as in all others".³²⁾ It was at this time that a well-known professor of Stellenbosch remarked that "Afrikaans will only come into its own when it has attained commercial value; only then can it compete with Dutch and English",³³⁾ and that General Hertzog exhorted Afri-

31) Cf. le Roux, N.J. W.A. Hofmeyr: Sy werke en waarde (Nasionale Boekhandel, Cape Town, 1953)

32) Crafford, A. "Woelige dae in 1916 - Die Burger word geboikot" Die Burger, Special Edition on the occasion of its 50th birthday, 23.7.65.

33) Le Roux, N.J. Willie Hofmeyr, in Ibid.

kaners to insist on the use of Dutch in commerce as a means of creating jobs for Afrikaner men. The attacks on "Die Burger", aroused deep indignation among its readers, many of whom reacted by buying only from those businesses which placed advertisements in that paper. There was, however, no organized campaign. "Die Burger" began using Afrikaans as its medium in 1922, three years before it was recognized by law as an official language of the country. This latter event, according to the evidence of the generation of economic leaders who were young men at the time, was an occasion for an upsurge of pride. It was no longer a "kitchen" language. It acted as an inspiration to greater achievement in the economic field.

Die Nasionale Pers Bpk., publishers of the "Die Burger", soon began to extend the scope of its activities by publishing weekly journals,³⁴⁾ buying existing newspapers, followed later by the founding of an Afrikaans newspaper in the Eastern Province of the Cape, entering the book trade and undertaking commercial printing. In 1965 the group's balance sheet showed assets worth R5,300,000 exclusive of hidden reserves of about the same amount. With a share capital of only R800,000 the remarkable expansion has for the major part been financed out of own profits. From an institution serving primarily a national cause it has grown into a very successful commercial enterprise. Some of the directors of Die Nasionale Pers also initiated the establishment of "Die Transvaler", an Afrikaans newspaper published in Johannesburg of which Dr. H.F. Verwoerd became the editor before entering politics. Once more it was a well-to-do individual, Pieter Neethling, who opened the subscription lists with a sizable contribution.

The battle of survival of "Die Burger" demonstrated clearly the dependence of the Afrikaner on English capital and business interests,

34) Which now include one in English.

and had a salutary effect in that it served as a warning that, if he wanted to make any progress at all, he would have to conquer his state of economic backwardness by mobilizing his own resources in a relentless, unceasing, uphill struggle. One of the first fruits of this realization was the establishment of an Afrikaans warehouse in 1916 which did not, however, survive the onslaught of depressed post-war conditions. An English speaking South African, Alfred MacDowall, who had been watching the activities of the Afrikaner groups and had intimate knowledge of banking and insurance, approached W.A. Hofmeyr and others of the Nasionale Pers with a view to entering the insurance field, and the outcome was the establishment, in 1918, of the South African National Trust and Assurance Co. Ltd. (SANTAM). Canvassers were sent out and shares to the value of R104,000 were sold within a few months. In the same year the directors of SANTAM founded the South African National Life Assurance Co. Ltd. (SANLAM) to handle the industrial and life insurance business, and bought the shares of African Homes Trust and Assurance Co. Ltd. which had been concentrating on industrial insurance. This enterprise was the target for another attack by English newspapers and a competitor in the field of insurance. Wrote "The Cape", a weekly, on the second of August, 1919: "It is difficult to regard the SANTAM apart from its Hertzogite and Nationalist associations All the directors of the company are tried and true Hertzogites, steeped up to the neck in Nationalist policy"³⁵). The competitor overreached himself and was fined. To prevent this same company from securing a monopoly of trust business in the Orange Free State SANTAM invested heavily and, as it turned out, unwisely in a Free State trust company, with the result that it was faced with liquidation if finan-

35) Cited in Le Roux, N.J. W.A. Hofmeyr - Sy Werk en Waarde, p.131.

cial aid could not be obtained. The general manager of the Standard Bank came to its rescue on the strength of the fact that he knew the directors as honourable men!³⁶⁾ This kind deed was greatly appreciated, and proved to have far-reaching effects as the group today controls assets worth more than R330,000,000 while SANLAM is the second largest life insurance company in South Africa with an annual income of R58 million of which R40 million come from premiums. However limited the Afrikaner's knowledge of finance, life insurance was something he could understand and appreciate. A most important factor was, undoubtedly, the fact that representatives could actively canvas business, and thus induce saving, which might otherwise not have been generated, or been deposited with banks and Trust Companies.

In 1921 a firm of undertakers (AVBOB) was registered, with H.H. van Roojen as the leading spirit. It operated on the basis of a small monthly flat rate contribution by members who thus secured coverage of their funeral expenses. The principle and modus operandi of this business were simple, and made for rapid expansion, its assets today moving into more than R6 million. Funeral insurance business is today largely in the hands of Afrikaners.

Since agriculture was dominated by Afrikaners, Agricultural Co-operatives offered excellent opportunities to them for increasing their stake in commerce and the processing industry. While many had, in fact, been formed during the first two decades of the twentieth century, the Co-operatives Winegrowers Association (K.W.V.)³⁷⁾ was established in 1918 for the purpose of managing and controlling the marketing of wine in the best in-

36) Ibid. p. 136

37) Representing the original Dutch name Ko-operatiewe Wijnbouwers Vereniging.

terests of its members. It started off with less than R2000 in paid-up capital, but could commence business with two loans of R100,000 each from their bankers and a wine dealer respectively. Later, through legislation, the K.W.V. was accorded full control over the produce of the vine, and in 1965 handled a crop worth R32 million. Its balance sheet in 1965 showed assets to the value of R19,300,000, which include large supplies of wines, brandies and spirits valued at a purely nominal price, and accumulated by way of an annual declaration of "surplus" production, based on an assessment of the quantities which the trade will absorb. As in other cases, these figures demonstrate the impressive effect of the cumulative process of profit re-investment coupled with wise management and the continual improvement of the quality of the product. Naturally, its history was not one of uninterrupted upward progression.

Between 1918 and 1922 a People's Bank and a Savings Bank were established as means of attracting small amounts of individual savings and making these available as personal loans to those in need of credit on a small scale. In this function they filled a gap and satisfied a very special need, since thousands of Afrikaner individuals with small incomes had no other way of obtaining short term credit. The second institution (SASBANK), after being registered as a Loan Bank in 1942, branched out vigorously, and by 1965 had attracted deposits to the tune of R23,000,000.

After 1922 there was a lull in company promotion in which the Great Depression of 1929-33 and the devastating drought which ruined many farmers and reduced others to abject poverty played a major part. The only major event, though certainly not regarded as such at that time, was the establishment of Volkskas as a co-operative bank, which changed into an ordinary commercial bank after its registration as such in 1940, and which was destined to become the third largest institution of its kind in South Africa. The 1930's also saw the first, and very small-scale, entry of an Afrikaner,

W. Boshoff, into the field of gold mining. He bought an old mine for R8,000 with borrowed money and succeeded in exploiting on a profitable basis, and without any equipment, ore which was left as subgrade, using methods more economical than the conventional. This was repeated in a succession of mines. Only after the Second World War did he float a company. In all, the Boshoff group has mined more than R30 millions' worth of gold.

In the meantime some one-man general dealer undertakings must have been established by Afrikaners in the smaller towns and villages, but the exact dimensions of this economic activity cannot be determined. As is to be expected, the outstanding characteristic of the Afrikaner ventures was their small initial equity capital. Apart from the fact that the community to whom they could appeal for funds was relatively poor, the people were, as yet, more or less completely unaccustomed to investing in equities or shares of any kind. Operating capital was obtained from a few well-to-do individuals and lending institutions, and expansion was financed out of profits. Secondly, a good deal of the successful entrepreneurial activity was concentrated in the financial sector of the economy where equity capital is of relatively minor importance, and operating funds could be obtained by means of deposits, insurance premiums or similar contributions, which could be saved out of small incomes. Thirdly, it was part and parcel of a deliberate attempt to raise the economic status of a people and not to derive personal profit in the first instance. For many years to come this was going to remain a basic premise.

One event which acted as prelude to the above action was the damages claimed from those who participated in the 1914 Rebellion. "Die Helpmekaar-fonds" (Mutual Aid Fund) was founded to help those who were thus burdened. The success achieved in the collection of funds - and "Die Burger" was an important medium - was responsible for a realization of the fact that it

might not, after all, be impossible to mobilize a considerable amount of capital from the ranks of the Afrikaners.

The amount left, after all claims had been settled and financial aid given to those impoverished by the Rebellion, formed the nucleus of a fund which was used to promote the education of young men and women, who could otherwise not afford to remain at school and university. Thousands of students were thus enabled to graduate in various fields of study. Many of them became scientists and business economists who assumed leading roles in the economic progress of the Afrikaner and of the whole country.

The beneficial effects of education in general as a means to stimulating economic change, need hardly be expatiated on. It has been attracting increasing attention during the past decades as evidenced by a growing literature on the subject. It proved also of inestimable value in the advancement of the Afrikaner people. With human material as the only significant factor of production at the disposal of the community after the Anglo-Boer War the demand for education was predominant. Each town desired to have its own high school. The labour potential embodied in these human beings, who could take advantage of opportunities, improved, mental horizons broadened, new aspirations were stirred up, they experienced a resurgence of national pride and they became very conscious of the economic retardation of the society they belonged to. True enough, hundreds of thousands did not have the advantage of such opportunities, but then progress, economic and otherwise, has never been a function of mass action. In common with other underdeveloped societies the accent at the start was on book-learning - a study of the "academic" subjects - and avoidance of the more "technical" subjects such as engineering, law, medicine, business economics, economics. At a lower level there existed a prejudice against vocational

and technical training which had been associated with indigency, inferiority and even criminality.³⁸⁾ Nevertheless, the general academic education had a multiplicative effect in that some of the best human material entered the teaching profession to inspire and open up the minds of their pupils.

While entrepreneurs and business leaders cannot be created by means of education and training in, say Economics and Commerce, unless the student has the latent attributes, it is at least a means of acquainting him with the problems and the ways of business and creating an awareness of the possibilities. In this respect the Faculties of Commerce established at the Universities of Pretoria and Stellenbosch during the twenties, to be followed later by similar faculties at the other Afrikaans universities, made a major contribution.³⁹⁾ The Stellenbosch faculty had the advantage of a professor of Business Economics (C.G.W. Schumann) who, during the forties, became a director of a number of companies, and thus acquired practical experience and business connexions; while faculty members stressed the strategic functions of the entrepreneur and management in economic development at the same time as the latter was held up as the indispensable condition of cultural and social progress: the flourishing of literature, arts and science demands leisure time, meditation, patience and devotion and a people struggling for its physical survival cannot afford this.⁴⁰⁾

It so happens that the majority of Afrikaner leaders in the economic - as in the political - field have been products of the University of

38) Cf. Pauw, S. Op. cit. p. 100.

39) Cf. Schumann, C.G.W. "Die Huidige Ekonomiese Posisie van die Afrikaner teenoor dié van 1939". Paper delivered to the Herdinkingsfees van die Eerste Ekonomiese Volkskongres 1939. (1964)

40) An over-simplification, perhaps, but containing a very important element of truth. Cf. Thom, H.B. (Principal of the University of Stellenbosch) "Die Betekenis van ons Ekonomiese Strewe vir die Kultuur van ons Volk", Herdinkingsfees 1964.

Stellenbosch. It is impossible to discover any one particular reason for this. It is rather a function of a combination of factors of which the following may be the outstanding ones:-

The University is the oldest Afrikaans institution of its type, and as such had the advantage over the others in establishing the tradition and reputation that come with age; it attracted some of the best talent among students, partly because of the tradition; the quality of its academic staff; the educational value of social life, on the campus, of a closely-knit student society which earned them the reputation of being over-confident; the absence of opportunities in the civil service in the immediate neighbourhood (in contrast, for example, with Pretoria) which might be one of the reasons why graduates of the Faculty of Commerce, almost without exception, prefer to enter employment in the private business sector.

When the establishment of the University as a separate institution was in the balance, the issue was decided by the very generous donation of R200,000 by Mr. Jan Marais, one of the very few Afrikaners who made a fortune out of the Kimberley diamond industry, and who was initially the financial mainstay of "Die Burger", in addition to bequeathing a sum of R120,000 to a "Jan Marais Nasionale Fonds" which had to be used in the promotion of the Afrikaner's cause.⁴¹⁾

41) Le Roux, N.J. Op.cit. p. 70.

IV. The Role of Political Power.(a) The demographic background to political power.TABLE 1Population aged 21 and older, and actual voters

<u>Population 21+</u>				
<u>Year</u>	<u>Afrikaans speaking</u>	<u>Others</u>	<u>Excess of Afrikaans speaking</u>	<u>Excess of Afrikaans Voters</u>
1911	307,000	353,000	-46,000	
1936	582,500	568,280	14,220	
1948 ^{a)}	763,500	698,200	65,300	135,000
1953 ^{a)}	847,300	757,100	90,200	160,200
1958 ^{a)}	937,000	799,900	137,100	207,100
1960	973,770	788,070	185,700	
<u>Population 18+</u>				
1960	1,095,000	818,000	277,000	378,000

a) Years in which general elections were held.

Sources: Sadie, J.L. "Politiek en Taal: 'n Demografiese Ontleding" Die Burger 28 August 1958; _____, "Groot Veranderings in ons Bevolkingspatroon", Dagbreek en Sondagnuus, Uniefoes Bylaag 3 April 1960; Population Census 1960, Sample Tabulation.

In his endeavours the Afrikaners had the strategic advantage of a growing preponderance on the demographic front. In the census of 1936, when the language groups were distinguished for the first time, the Afrikaans speaking section - exclusive of those using both official languages at home - was found to constitute 55.9 per cent of all white persons, and it is estimated that the proportion was the same in 1911. By 1960 it had grown to 58.0 per cent, when the absolute majority amounted to

493,500. This happened despite the fact that the immigrants, as a rule, strengthened the English speaking community, which means that the explanation is to be sought in the fertility differences which had not been offset by immigration. In terms of birth rates the difference amounted to 9,4 per 1000 during the thirties, and 5.4 per 1000 during the fifties, since which time it has shown little change, the rates of both groups having declined slightly.⁴²⁾ The narrowing differential has been the outcome of a decline in the fertility of Afrikaans women, and an increase in that of women in the other language groups, the consequence, by and large, of the addition of more fertile immigrants. Because of the age composition of the latter, coupled with lower fertility, the non-Afrikaners are a demographically older population than their Afrikaans speaking counterpart. In 1936 64.4 per cent of them were 21 years and older, in comparison with 52.0 per cent in the case of Afrikaners. As the influence of immigration waned and fertility increased somewhat, the proportion shrunk to 60.7 per cent in 1960. That of the Afrikaans speaking population rose slightly to 52.4 per cent, and would have been higher but for the low levels of fertility during the depressed years of the thirties followed by a resurgence of the birth rate, especially during and immediately after the Second World War.⁴³⁾

Their demographic youthfulness involves a higher dependency burden. Ceteris paribus - e.g. the propensity to participate in the labour force and the occupational distribution - the per capita income would, on this score, be lower. Concomitantly, given the propensity to consume, the amount of personal savings generated by them and their potential for capi-

42) Percentagewise the difference is greater when the Gross Reproduction Rate is used as criterion, the Afrikaner population containing relatively fewer women in the 15 to 49 age group.

43) This sequence of events also played some part in the juvenescence of the English speaking population.

tal accumulation would be smaller than that of the non-Afrikaner population, whose dependency ratio is lower despite their relatively larger numbers in the "non-productive" age groups at the upper end of the life span.

At the beginning of this century the disadvantage of demographic youthfulness extended to the potential numbers of voters. It is estimated that in 1911 the 21 and older category of the Afrikaans speaking population encompassed 46,000 fewer persons than that of the other language group. However, over time the force of the higher rate of growth, operating on a larger population base, exerted itself to turn the deficit of 1911, as shown by table 1, into a small majority of 14,220 by 1936, which grew steadily to reach 185,700 in 1960. In terms of actual voting strength their position was even more favourable, since many non-Afrikaners did not qualify, or preferred not to qualify, as voters. The numerical preponderance of Afrikaans speaking voters increased from 135,000 in the first post-war election year, 1948, to 160,200 in the following election and to 207,100 in 1958. When the referendum to decide the constitutional issue of the republic was held in 1960, the lowering of the qualifying age to 18 raised the excess of Afrikaans voters to 378,000. The figure is expected to increase still further, to the extent that it is not offset by immigration.

Given a considerable degree of community of interests prevailing among Afrikaners arising from historical developments, their demographic strength accorded them a potent political weapon. This was true even when their representatives were not in the majority. If constituencies were all of equal size in terms of voters, the geographic distribution of the two groups were the same, and no English speaking voter supported the Nationalist Party, the latter had to poll only more than 82.3, 81.1, 77.9 and 65.5 per cent respectively in the three elections of 1948, 1953, and 1958 and

the referendum of 1960 to secure or retain the reins of government. Politically, the Afrikaners have always been a much less homogenous group than the English speaking population who, up to 1958 at least, have always voted more or less solidly for parties opposing the Nationalists; while an estimated 20.3 per cent of the former did not cast their vote in the contested seats in favour of the Nationalist Party.⁴⁴⁾ In fact the latter formed a minority government⁴⁵⁾ until the 1961 general election, as far as this could be ascertained on the basis of reasonable assumptions concerning the uncontested seats. This was the result of the system of loading whereby the constituencies in the sparsely populated rural⁴⁶⁾ districts comprise fewer voters than those in the urban areas, and in the former Afrikaners preponderate, constituting 81 per cent of the 1960 white rural population.

At the same time the historical changes in their geographic distribution have favoured the Nationalist Party. At the beginning of the century the Afrikaners were very much a rural community, no more than an estimated 24 per cent of them having been urban dwellers in 1911. The proportion increased to 47.8 per cent in 1936 and to 76.2 per cent in 1960. The relative and absolute reduction in the numbers living in rural areas still left a sufficiently large group to ensure success for the Nationalist Party given that their propensity to vote for this party did not change. In many of the towns and cities to which they emigrated they gradually eliminated the preponderance of English speaking voters. The latter have always been concentrated in urban areas, the relevant percentage having risen

44) Sadie, J.L. Loc. Cit. Die Burger, 29 August 1958.

45) In terms of the existing constitution, that is.

46) Strictly speaking, it is not "rural" according to the Census definition, but includes also villages and rural towns with one or other form of local government.

only slightly from 87.4 per cent in 1936 to 92.6 per cent in 1960. Within towns and cities their numbers are, politically speaking, "inefficiently" distributed. That is, a great deal of their voting power is wasted by being overconcentrated in a few areas. For example, in 1958 nearly 20 per cent of all non-Afrikaner voters were living in 14 "safe" opposition party seats in the province of Natal which represented fewer than 10 per cent of all South African constituencies. This again is the result of a long historical development and "in-group" attitudes and preferences.

One of the advantages arising from political power is that if immigration is considered to favour the opposing parties, it can be regulated to prevent such an adverse effect. This actually happened in 1948, when the Nationalist Party came into power, after the predecessor government have been using large-scale immigration to promote its own interests. Since then the Nationalist government has revised its policy, resulting in an unprecedented inflow of new inhabitants during 1963-64.⁴⁷⁾ One of the side-effects of the restriction on immigration has been the preservation of more opportunities for the established population, and the raising of the scarcity value of their labour. This has particularly benefited the Afrikaner group whose members were the least privileged.

(b) Political power in action.

When the Nationalist Party, with the support of the Labour Party, took over the reins of government for the first time, the decisive factor was not the demographic one, but the dissatisfaction with the handling of the labour situation by the previous government. It was the aftermath of the 1922 strike on the mines which erupted because the interests of the

47) At the request of somebody in authority the present writer had submitted a memorandum indicating the numbers of immigrants who could be allowed into the country annually without threatening the numerical preponderance of Afrikaners.

white workers were considered to be sacrificed by "an unholy alliance between foreign capitalists and a corrupt government."⁴⁸⁾ The employers were substituting cheap Bantu labour for white labour even while the ranks of the unemployed were swollen by the influx of impoverished whites from the rural areas. The strike flared up into violence and was ruthlessly suppressed, but was nevertheless successful in terms of its long run consequences.

The new government immediately instituted a Department of Labour to tackle the problem of white unemployment and poor whiteism. The principles of the 1911 Works and Mines Act, which confined certain types of skilled mining operations to persons other than Bantu, were reaffirmed and applied. A "civilized labour" policy was put into action in which the term in quotation marks was defined as the "labour rendered by persons whose standards of living conforms to the standard of living generally recognized as tolerable from the usual European viewpoint". Fearing that the poor whites - and, as mentioned above, the large majority were Africans - were going to be dragged down to the level of living of the non-white, especially in the urban areas where they were in close contact in the slum districts, preference was accorded to unskilled whites in the employment policy of the central government, who requested the provincial administrations and local authorities to do likewise. The South African Railways and Harbours, owned and run as a government department, became the largest employer of unskilled and semi-skilled white labourers; the size of its white personnel more than doubled between 1924 and 1925, some 1400 of them having replaced non-whites at higher rates of pay.⁴⁹⁾ Employers in the private sector were exhorted to follow suit, and the policy of the protection of industries was used as an incentive by way

48) De Kiewiet, Op. cit. p. 170.

49) Pauw, S. Op. Cit. p. 195; Patterson, Sheila, The Last Trek, p. 142 (Routledge & Kegan Paul, London, 1957)

of the determination of the custom duties to be levied on competitive imports, which accorded special benefits to those employers who co-operated.

When the depression and the drought of the early thirties added impetus to the urbanward movement of Afrikaners government plans provided for rural rehabilitation and housing schemes, irrigation projects and subsidies for the building of dams on farms, the combating of soil erosion, the employment of boys in agricultural schools, the settlement of poor whites on government afforestation projects, erection of model villages of the South African Railways, and the establishment of a Special Service Battalion under the Department of Defence in which youths were subjected to military discipline until work could be found for them. In its relief programme the government was aided by the Dutch Reformed Church, which for many years had a Poor Relief Commission and which was responsible for a land settlement scheme.

The policy had a "back to the land" character, and was emphasizing the creation of employment opportunities for unskilled white workers instead of educating and training them for skilled and semi-skilled jobs. Many of them have undoubtedly been members of an older generation who might have been considered untrainable, while an antiquated Apprenticeship Act deprived them of the necessary opportunities. The apprenticeship regulations were only thoroughly overhauled after the Nationalist Party came into power once more in 1948, after a break of nine years. The new act raised the qualifying age limit, and facilitated the entry into apprenticeship contracts and the acquisition of certificates of competency. There is today no lack of opportunity for any white person to qualify himself for a trade, at a minimum, if he has no alternative.

As far as trade unions are concerned the interests of the Afrikaner were promoted by an act which made provision for the formation of uni-racial organizations in those industries and trades where multi-racial

unions were already in existence, and which happened to be dominated by non-Afrikaners. This was, however, only an incidental effect of the legislation whose main aim was the segregation of whites and non-whites in trade unions. Various other legislative measures relating to labour, such as the principle of equal pay for equal work, the control of the influx of Bantu labour into urban areas, the law concerning Bantu building artisans and the principle of job reservation, all protected the white workers - the majority of whom are Afrikaans speaking - against competition from non-whites, and raised their scarcity value and their wages. In actual fact, the protection granted in this way is relevant only in the lowest echelons of labour and income brackets; and it is to be doubted whether the economic position of the white worker would, by and large, have been any different in the absence of the legislation which had been passed during the last fifteen years, since his position has been dominated by market forces rather than by government policy.

When the Nationalist Party came into power for its second and, thus far, unbroken spell of government since Union (1910), the poor whites problem per sé had disappeared. The exigencies of war and the post-war boom created employment opportunities which not only absorbed all, or almost all, poor whites but even caused labour scarcities. For the first time economic growth in South Africa had been rapid enough to accommodate the backlog of unemployed and underemployed whites and the increase in the labour force. Now, the government could concentrate on providing facilities to enable the younger generations progressively to improve their qualifications as factor of production. With the fiscal machinery under their control they could ensure that no child would be denied an education because of his geographic location or because his or her parents could not afford fees and school books. Primary schools were conveniently located

all over the country, and high schools were erected wherever population concentrations justified it. They were followed, even though somewhat tardily, by technical colleges, commercial, agricultural and other vocational schools. Afrikaans medium universities were at a disadvantage compared to the English medium institutions since they did not have disposal of the large donations such as were received by the latter, as a result of the disparity in wealth of the two respective communities. Through its system of grants and subsidies the government could take compensatory action, permitting them to establish medical and engineering faculties, for instance, which the other universities were in a position to afford long ago, while existing (academically non-traditional) ones such as the faculties of Commerce, could be expanded. This greatly increased the opportunities and the inclination of the Afrikaans speaking students to qualify for the better paid professions.

These same institutions of higher learning contributed in large measure to establish the status of Afrikaans vis-a-vis English, furthering a process initiated by the system of mother tongue instruction in lower education. The status of Afrikaans, at least among the English speaking citizens, appears to have been closely correlated with the professional, academic and economic status of the people speaking it: when it was used in the main by farmers, unskilled workers, poor whites and the like it was regarded with contempt by the other section. Now that it is spoken by university graduates, professional men and wealthy citizens the above attitude has all but disappeared.

To increase and improve the supply of jobs the first Nationalist or "Pact" - Nationalist and Labour Party - government embarked on a moderate but firm policy of protection of industries as a means to foster industrialization, and, thus, the diversification of the economy. Those in control

of commerce and mining, which were the two main branches of the economy besides agriculture, were free traders by virtue of their financial interests. In addition they were still imbued with the spirit of "home", home in this case meaning Britain. When the interests of South Africa and Britain clashed it was the latter's who had to prevail, and they did not, therefore, take kindly to the idea of industrialization.⁵⁰⁾ Parenthetically, it is this kind of un-South African attitude which created an image of the English speaking community and the political party or parties representing them which to this day clings, in some measure, to the latter. None the less, the government went ahead and in 1935 put its policy on a firm footing by introducing a three-column tariff scheme together with some extraordinary duties as the basis of its international commercial dealings. The conditions for the granting of protection have, however, always been fairly rigid, and it is only during the last few years that these conditions have been liberalized. This policy, in conjunction with special circumstances favouring industrialization, such as the war and post-war shortages and the régime of import control which started in 1948, boosted the share of secondary industry in the net domestic product from 12 per cent in 1924 to more than 28 per cent in 1964. Having been the most "infant" of the "infant entrepreneurs" - which, one believes, is a much more appropriate term in international trade theory than "infant industry" - the emerging Afrikaner industrialist might have benefited more from the tariff policy than others. Its significance cannot, however, be quantified, especially since in practice the ceteris paribus qualification did not hold.

50) For a practical illustration vide Rosseau, P.E. "Die Nywerheidswese en die Afrikaner", Address delivered before the Herdenkingsfees 1964.

Of more direct help to Afrikaners than the protection of industries, was the government support of agriculture where this language group predominates to the extent of representing around 84 per cent of its white labour force. The usual, and more or less universal, measures were applied here such as special financial aid, subsidies, price support, import quotas, cancellation of debts, low railway tariffs and special concessions to agriculture co-operatives. The establishment of control boards just before the Second World War not only ensured the orderly marketing of agricultural products and stable prices, but also favoured the co-operatives, who now had the function of pricing taken out of their hands. A very significant risk factor was thus removed; and as agents of the control boards the probability of failure on the part of co-operatives was considerably reduced. The history of agricultural co-operatives since that time has been marked by rapid progress, which contributed in raising the share of the Afrikaner entrepreneur in commerce and industry. The application of the requirement of bilingualism which had been written into the 1910 constitution, but was not faithfully observed, improved the opportunities of the Afrikaner for promotion in the civil service, since they were in those days pre-eminently the bilingual population. These opportunities were augmented by the preference usually accorded, in the higher appointments which carry executive responsibilities and the implementation of government policy, to officials sympathetic towards the latter. In addition there are those appointments which form part of the customary patronage.

While contracts worth many millions are awarded each year to private firms they do not offer an occasion for giving preference to Afrikaans firms, since these contracts are processed and decided upon by tender boards whose actions can be scrutinized by observers representative of all

interests. Such favouritism has, however, been hinted at, if not alleged.⁵¹ In the allocation of scarce import quotas, it would appear that the principle of impartiality is strictly adhered to. Actually import control had threatened the emergence of new entrepreneurs among Afrikaners and those among them who had not been in business for a long time when the system was introduced, because it had to define a criterion on which allocations of permits could be based, and the imports of existing firms during some previous period were indicated. Representations by the Afrikaanse Handelsinstituut led to a removal of this stifling effect, though, naturally, administrative judgement can never take the place of the market forces in the determination of the viability and efficiency of business.

There is, as is to be expected, a feeling or a presumption on the part of English speaking businessmen that their Afrikaner counterparts receive favoured treatment, but it was impossible to find substantiation for it. It would not be unnatural if the authorities were a little more favourably disposed towards a politically sympathetic firm who might approach them for permission to establish a new industry which requires foreign exchange. But such disposition can only be translated into action if the firm is first in the field, which, thus, does not involve discriminatory action; rather, it represents the fruits of initiative and an enterprising spirit. Sometimes the authorities would stipulate that the participation of other groups be sought. It is to be remembered, too, that not all leading Afrikaans businessmen are regarded as adequately sympathetic towards government policy.

As the controller of certain natural resources the government is in a position to foster the economic interests of Afrikaners. It appears to

51) Anon. "The Expanding World of Afrikaner Business".
Financial Mail Special Supplement, July 30, 1965, p. 13.

have done this to some extent in the allocation of fishing quotas and concessions to exploit diamondiferous areas. While some may regard this as favouritism, it may equally well be interpreted as the redress of an imbalance; non-Afrikaner groups having had, for instance, control over the entire diamond mining industry.

It is known that members of a party in power can obtain inside information on some new ventures in the offing, or new developments, which permit them to come in on the ground floor. In this they do not differ from company directors. Some of them have participated in the formation of companies, possibly in the hope that their influence with the government might secure some privileges for these undertakings. This might have led to the Prime Minister's admonition that members of parliament should abstain from accepting directorships.

The entrepreneurial activity of the government in the business sector, in the process of promoting economic growth benefiting the whole community, has also created opportunities for the Afrikaner which he would otherwise have lacked. By way of the budget scarce savings, which sought security, could be channelled to enterprises needing risk capital which could not be supplied by a poor community. Various governments founded the following corporations:- The Electricity Supply Commission (ESCOM), The South African Iron and Steel Corporation (ISCOR), the South African Coal, Oil and Gas Corporation (SASOL), Klipfontein Organic Products (KOP), Phosphate Exploitation Corporation (PHOSCOR), The Industrial Development Corporation (IDC), National Finance Corporation of South Africa (NFC) and the Fisheries Development Corporation (FISHCOR). Among them Iscor has, perhaps, the most interesting history in that an unrosy future was predicted for it by an Opposition inspired by the "home" complex, when the ruling Nationalist Party pushed through the necessary legislation in 1928. With the exception of FISHCOR, they are today all industrial

or financial giants, and some of them, such as Iscor, Escom and Sasol, dominate their respective fields. To head these establishments outstanding Afrikaner scientists and others were appointed who would not have been considered by private firms under the control of the English speaking community, except in inferior positions, because of their policy of "in-breeding".⁵²⁾ In this way they served also as a training-school for the acquisition of technical know-how and executive and managerial ability, at a time when such opportunities had been denied the Afrikaner who had no, or very few, private concerns to turn to. The I.D.C., as a finance house, could provide financial as well as technical aid to viable undertakings in need of capital or of a re-organization to improve their product and its marketing. While sentiment has no role whatsoever in the provision of such aid, it furnished the opportunity to those who display the necessary initiative. In particular, the I.D.C. has a special section catering to the needs of small businesses, which abound in a capital-deficient community.

Lastly, with a party in power consisting for the most part of Afrikaners, businessmen in the other language groups are seeking co-operation with the latter, partly in the belief that they have easier access to the authorities in matters requiring governmental permission or concessions. Partly it is evidently also inspired by the feeling on the part of the English speaking section that there is no hope of their ever again assuming political power as a separate group, but only as members of a broader South African white community, and if "you can't beat them, join them".

52) Even today some foreign-controlled companies, especially the American ones, still pursue the policy of importing their men to fill the higher positions, a patently unwise policy in terms of public relations.

V. The Economic Risorgimento of the Afrikaner.

(a) The People's Economic Conference of 1939.

When the Federasie of Afrikaanse Kultuurvereniginge (F.A.K. or the Federation of Afrikaans Cultural Associations) was formed in 1929 a very important institution came into being. As its name indicate it brought together various cultural associations whose efforts at promoting the interests of the Afrikaner could now be co-ordinated and welded into an integrated programme to attain the maximum efficiency. Realizing the significance of the economic factor in the cultural life of a nation, the F.A.K. organized the People's Economic Conference of 1939 to discuss ways and means of putting into effect an ambitious "reddingsdaad" - a rescue deed or deed of deliverance - in the interests of the Afrikaner people after previous conferences (in 1893, 1916, 1923 and 1934) have failed to produce any tangible results. The 757 delegates, from all over the country and all walks of life, gathered in the shadows cast by the miserable conditions in which a considerable portion of the community were living as revealed by the Carnegie Commission. Many descendants of Geus and Huguenot, overpowered by poverty, malnutrition and (on the farm) the futile struggle against nature, were reduced to a state of physical and mental debility and apathy, and lost their feeling of self-reliance, expecting aid from charity, the church and the government. The nation was on the edge of an abyss. The indigent and demoralized section of the nation had to be saved, if the rest were not to be dragged down as well. Dr. J.D. Kestell, father of the idea of the "rescue deed" gave expression to the social conscience of the Afrikaner and the assumption of collective responsibility: "A nation is an integrated whole - the poor and the rich together. There is no unbridgeable gap between them. If no limits were set to pauperism, it

will mean the ruin of the entire community. A people rescue itself!"⁵³⁾ In the past too much stress had been placed on the function of the government in seeking a solution to the problem. From now on the responsibility had to be assumed by all members of society acting in unison. It had to be a national effort, dedicatedly pursued with vigour, determination and perseverance. Party politics should not enter the picture. It was a clarion call to concerted action. The economic struggle was to be an integral part of a campaign to nurture the cultural and social status of a nation.

They should no longer remain drawers of water and hewers of wood. Traditionally an agrarian population, they now had to conquer the cities. It was imperative that they enter commerce and industry, not merely as wage and salary earners, but as entrepreneurs. There were, however, serious obstacles in the way. The worst of these was the lack of a cadre of commercial and industrial entrepreneurs, the most strategic factor in economic development. The assumption of the entrepreneurial function outside the orbit of the traditional agrarian economy demands a particular mental make-up. Persons with high η achievement⁵⁴⁾ are needed. This need-to-achieve motive is acquired quite early in life and evidently depends on the way the child is brought up by his parents, who do not transmit to their children motivational characteristics which they themselves lack. And parents are a product of their social environment. An urban and industrial milieu is conducive to the evolution of a way of life whose values are orientated towards achievement. By 1939 the Afrikaner had not

53) Translated from F.A.K. The People's Economic Conference 1939, p.5.

54) McClelland, David C. "The Achievement Motive in Economic Growth" p.180 in Novack and Lekachman (Eds.) Development and Society.

yet embraced the large town and city as his habitat, or if he had, the adaptation was of too recent origin. The poverty stricken elements lived in suburbs which represented disintegrated appendices to the urban core, and thus remained on the periphery of its orbit of influence. The more prosperous part of the population had not escaped the shackles of old traditions perhaps because it was not yet confronted by a challenge of a Toynbeeian nature, or of the type formulated at the 1939 Conference, or because it was overawed by the dimensions of the task of entering a field of activity completely alien to him, and dominated by long established, financially powerful, enterprises. At the conference it was complained that Afrikaners were willing to entrust their political future to their compatriots, but that the idea persisted that a business was doomed if it was headed by somebody with an Afrikaans name. This lack of confidence might have had some factual base in that many attempts of Afrikaners had been attended with failure due to insufficient training, know-how and experience, and in the case of agricultural co-operatives, because of the nature of the product and the disloyalty of members. But that they should have no business acumen was a myth which had to be exploded. The teaching of commercial subjects was at fault, it was said at the conference. Its purpose was the training of the child for a position in the enterprise of somebody else, rather than preparing him to assume business leadership himself. The government would, therefore, be requested to make better provision for technical and commercial training, while loans and bursaries would be made available from the Reddingsdaadfonds (Rescue Deed Fund) and the Helpmekaar to students of commerce and engineering.

There was a certain amount of aversion to commerce and trade. These activities were associated with the itinerant peddler, and, therefore, with human beings of lower status, or with shady dealings arising from the

experiences of the unsophisticated farmer with the 'city slicker'. In traditional thinking the person who bought and sold on own account did not quite make an honest living. This kind of attitude did not prevail in the case of manufacturing industry which provided a tangible product, like the farmer, and whose activities were not obviously in the realm of 'profiteering'. Here too, however, the association with 'exploiting capitalism', which came in for criticism at the conference, was not absent.

Amidst these prejudices, it was precisely the field of retail trade which, more than any other, met the requirements of the emerging entrepreneur, whose entry would be facilitated if technical processes or the type of business transaction are not complicated, marketing does not require a great deal of sophistication, and the optimum size of the undertaking is not large. It lends itself to the formation of one-man businesses with a relatively small capital. Actually retail and wholesale trade had been stressed at the conference as an appropriate field for Afrikaner ventures, also because a new manufacturing enterprise would need retail outlets; and the existing ones could not be expected to be kindly disposed towards a new supplier. In fact, they were not so disposed, most often preferring to push the imported article.

Where the above facilitating conditions do not obtain, the businessman had to dispose of relatively large amounts of capital to be able to afford the best technicians and executives and to provide against the vicissitudes attending business life. In this case he would be confronted with the problem that the saving potential of his community was not very considerable, and those who did save were not yet accustomed to channelling their money into risk-bearing investments. They, and non-Afrikaners, were in any case not prepared to risk their savings, especially when these were of marginal dimensions, in the enterprise of the newcomer who had not yet proved his worth. Needless to say, the latter cannot produce the proof

when he is not supplied with the required capital; another of the many vicious circles confounding the economic life of the underdeveloped society. To achieve success he needed to show that he has had success. The prerequisite, therefore, was to get off the ground.

To this end, the people had to be alerted to a realization of their backward position in the business world. As an appeal to national pride it might act as a spur, if not to individual achievement, then to joint action which would support the struggle of the entrepreneur to carve out for the Afrikaner a legitimate share in the non-agricultural private business sectors of the economy. During the following two decades the "creation of economic consciousness" was going to be the central general theme of the programme of action. To complement it efforts would be directed at the mobilization of purchasing power and of capital. To accomplish this the aid of various institutions was indicated.

(b) The Institutions.

Arising from a resolution of the 1939 conference the Economic Institute of the F.A.K. was founded to propagate the ideas formulated at the conference, and to it was entrusted the building up of the Reddingsdaadfonds called into being as a result of the appeal of Dr. Kestell. The monies thus obtained had to be invested and the interest used to finance activities connected with the programme of action. The investments themselves supplied a number of enterprises with capital, while some went into study loans. Grants were made to the Reddingsdaadbond (Rescue Deed Bond or League), the F.A.K., charitable societies and others.

At the start it was thought that it might serve a useful purpose if the Economic Institute were to confer public recognition on firms which identified themselves with the economic aspirations of the Afrikaner, and

make it known through the press and by means of circulars. Such firms could, at their own discretion, use this recognition to acquire the support of the public. Soon it had to retract since the system lent itself to abuse, particularly as the public tended to infer that the Institute was guaranteeing the honesty or success of the business involved. It was decided that the institution would confine itself mainly to policy-making, leaving the implementation to the Reddingsdaadbond. It acted as a centre for research and investigation into all matters involving the interests of Afrikaans business, and as a forum for the discussion of these matters, whether at the annual meeting or within the smaller circle of the executive or special committees. Conclusions crystallizing out of these deliberations which implicated government measures were conveyed to the proper authorities, while others formed the basis of the programmes of the Reddingsdaadbond and associated bodies. The publicity given to the papers delivered before the annual meetings had value in itself. Its function as medium to influence official policy began to wane in significance as the Nationalist government got into stride after its election to power in 1948, removed obstacles which impeded the emergence of new entrepreneurs, and adopted measures stimulating economic growth in which the Afrikaner naturally shared. The idea of the Economic Advisory Council to the Prime Minister was conceived and developed in the ranks of the Economic Institute.

The Reddingsdaadbond served as liaison between the Institute and the public. When enthusiasm was at its highest pitch there were some 380 branches with 65,000 enrolled members whose small contributions, less local administrative expenses, together with any monies that might have been collected by other means, and donations by well-disposed persons, were paid into the Reddingsdaadfonds. To disseminate information on the economic position of the Afrikaner and his business ventures meetings of small

groups, personal contact and circulars were used as means of communication, while at one stage a journal, called "Insan", was published. In their campaign it was borne in mind that the mother in the family was a strategic factor. They made propaganda for the employment of purchasing power in Afrikaans businesses, and gave free publicity and guidance to these latter. They were, however, not responsible for an Afrikaner Shoppers' Guide which was published by a private company. The names of enterprises run by Afrikaners, or sympathetic towards them, were brought to the notice of consumers. A few branches resorted to a negative approach, publishing the names of firms which had not to be supported. This type of action was unconditionally condemned by the Economic Institute. An attempt to organize a countrywide consumer's organization was frustrated by the scarcity of goods during the Second World War. Sometimes they had to counteract malicious gossip directed against Afrikaans enterprises, whether by hostile elements or by those within their own ranks. Supporters were encouraged to invest in approved companies. Directly or indirectly as a result of their intervention many new business concerns were established. Their wider field included the organization of leisuretime activities, the founding of a few commercial schools, running an employment bureau, the founding of an Association of Executives to obtain recognized professional status for its members, and a Stocks and Shares Bureau to facilitate the sale and transfer of shares in Afrikaans businesses in the absence of a stock exchange listing. Under their auspices a very important third institution, Die Afrikaanse Handelsinstituut, was established.

And all the time the F.A.K. and constituent organizations were exhorting the people to insist on service in their own language in all business transactions as on all other occasions where they were the customers.. If only this campaign were successful Afrikaans enterprises would have ex-

perienced boom conditions since those under control of the English speaking group have never made any serious attempts at giving service in both official languages.

The Afrikaanse Handelsinstituut is the Afrikaans counterpart of the Associated Chambers of Commerce and the Federated Chambers of Industries, but organized in one body arising from the fact that at its inception the Afrikaner's participation in manufacturing industry was minimal. Established in 1942, it met with the usual hostility and indictments of racial hatred - the 'race' referring to the English speaking section - at a time when the supply of goods was scarce due to war conditions. One of its first tasks was to negotiate with the Director of Supplies for better treatment of infant enterprises in the allocation of import permits, to urge the Minister of Trade and Industries to act against the restraints on trade imposed by retail associations and wholesale organizations, and to protest against the encroachment of government trading on the private sector's field of operations. The first local Sakekamer (Chamber of Commerce) was founded in 1945. Since then the number has grown to 231 in 1965, with approximately 6000 ordinary members, in addition to more than 1000 members in special categories.

Today there are six specialized divisions or Chambers within the Institute representing members' interests in commerce, industry, finance, mining, the motor trade and co-operative trade. Since they are all organized under one roof the traditional clash between commerce and industry, especially in matters relating to external trade, is averted, and they can speak with one accord when making representations to the government or the Railways, which is, in the nature of things, one of their important functions. These days their support is usually enlisted whenever the Associated Chambers of Commerce or Federated Chambers of Industries want to approach the government, with the Handelsinstituut delegate preferably as the spokesman.

They are consulted by the authorities on legislation and regulations pertaining to economic matters, and are represented on government commissions, the Tender Boards, Marketing Boards and Advisory Councils.

The services of the Institute to its members encompass the usual range associated with this kind of body, and need not be detailed. Information on the numerous aspects of business and the South African economy is communicated by means of talks, circulars, the annual meetings, newsletters and three journals: Volkshandel, Motorhandel and Die Handelaar. Of more than ordinary value to its young, struggling members was its guidance, through special courses, on financial, marketing and personnel management and other business methods conducive to the maximization of efficiency.

In the process of fostering the emergence and growth of Afrikaans undertakings, it contributed to the creation of opportunities for the employment and practical training of fellowmen who would have lacked these facilities. It lent status to the merchant and thus removed the stigma which formerly attached to his image. Would not the same have been achieved if its members joined the existing Chambers of Commerce and of Industries? The answer is, in all probability, no. Thus integrated, their voices would have been swamped in a confrontation with older, financially more powerful groups whose interests, in many instances, were at variance with those of the young entrepreneur struggling for survival. Organized under the banner of the Handelsinstituut they were a collection of men with similar background and common interests. As a pressure group and service-rendering institution they could function much more effectively.

More important still, perhaps, they were culturally homogenous, members of a people who felt themselves kicked around, trampled upon and humiliated

during the war and immediate post-war years. Their economic battle was not to be divorced from the wider cultural struggle. To them, or at least to their leaders, profitmaking was not quite the ultimate aim it was among the older established competitors.

With respect to the form of business organization which would best serve the interests of the Afrikaner, great praise was bestowed upon the co-operative system at the 1939 conference. It was considered a desirable alternative to the capitalist system and would accord with the national character. The conference resolved that it was indispensable to the economic development of South Africa. Its advantages included exemption from tax on capital and from income tax in respect of trade with members, who could join at their discretion or sever their relations when they move to another part of the country; it was democratic, did not seek to enrich itself as a corporate body separate from its customers, and would facilitate the mobilization of Afrikaans purchasing power and the most effective application of small amounts of savings.

Very soon it had to be admitted that while the co-operative company was the most suitable form of business organization in agriculture it did not meet with the success expected of it in other spheres. The profit motive appeared to have inspired greater efficiency and better service to the public than the incentive of mutual welfare. Today the special privileges enjoyed by co-operatives are a recurrent theme at annual meetings of the Afrikaans Handelsinstituut.

One profit-seeking institution received the official stamp of the 1939 Conference in that the nation was summoned to invest in it as a major instrument for the mobilization of capital, while the Economic Institute of the F.A.K. was instructed to invest 10 per cent of the Reddingsdaadfonds' capital in the ordinary shares and a maximum of R50,000 in the preference

shares of this company. The pioneer Afrikaner business leader, M.S. Louw, who conceived of the project, maintained at the Conference that what was needed, first and foremost, was an Afrikaner Finance House, which would be in the forefront of the endeavours to acquire a larger share in the South African business sector. It would have the advantage of being able to attract funds, which sought security, into the field of risk-bearing investments. The security would be provided by means of the usual spreading of risks. It would stimulate economic growth in the private sector which could not be achieved through savings flowing into the traditionally 'safe' channels: banks, building societies, the post-office, Boards of Executors, insurance companies, etc. He set out the Articles and Memorandum of Association of the "Sentrale Volksbeleggings Beperk" - later to be registered as the Federale Volksbeleggings Bpk. (Federal People's Investments Ltd.), because the Registrar of Companies did not approve of the first-mentioned appellation. Only well-known personalities with experience in business would be appointed to its Board of Directors and management. It was emphasized that failure would be assiduously guarded against. In its investment policy preference would be given to the take-over and expansion of existing concerns rather than to the establishment of new ones.

The total applications for shares were barely sufficient to permit of its starting operations in 1942, and at the end of its first financial year the issued capital was less than R300,000. In a policy statement of this company in the same year it was declared that Federale Volksbeleggings Bpk. premised that it was a national institution, in terms of the 1939 Conference resolution, to serve as a means towards the realization of the Afrikaner's aspirations to economic self-dependence; but at the same time it was a business enterprise who wanted to pay dividends to its shareholders in hard cash and not in the form of pious sentiment. It desired

to be neither a prosperous undertaking completely divorced from the ideals of its people, nor a genuine Afrikaner institution on the verge of bankruptcy. This statement epitomizes its approach ever since its inception. Conservatively, cautiously it consolidated its position at each stage before advancing to the next. Avoiding the sensational and the very risky, it inspired confidence among an investing public who have had some discouraging experiences. Re-investing the maximum possible proportions of its profits, the company's capital and reserves rose to more than R20 million within 25 years, it acquired control over investments with a market value of more than R150 million distributed over all sectors of the economy, and played a leading role in the establishment of enterprises whose assets in total amounted to R369 million.

(c) The Outcome of the Appeal to Sentiment.

The campaign was started on a wave of emotionalism created by the declaration of war. The Nationalist element was outmanoeuvred in the United Party, formerly Coalition, government which entered the war on the declared principle of loyalty to Britain, rather than in the interest of South Africa in the first instance. Among Afrikaner Nationalists it was felt that the English speaking section - actually led by Afrikaans speaking politicians - was continuing their traditional policy of "South Africa not first". In the political wilderness during the period 1939-1948, accompanied by discrimination and intimidation, the Afrikaners were fighting against the powers that be. Inducing a closing of ranks which facilitated concerted action, it served as a source of strength for the positive economic struggle, and the appeal to support the latter found a receptive audience. In these conditions the foundations of economic consciousness were undoubtedly laid, and it was maintained in 1943 that the Reddingsdaadbond had broken down the Afrikaner's prejudice against investment in

businesses.⁵⁵⁾ However, as the Nationalist Party went from strength to strength after its election to office in 1948, the enthusiasm for the active campaign of mobilising purchasing power and capital waned to the extent that the Reddingsdaadbond disappeared from the scene, and the necessity of continuing with the Economic Institute of the F.A.K. had been called in question.

When enthusiasm was at its zenith the campaign backfired at times, Sharepushers were not above abusing sentiment. Some had more enthusiasm than business sense. Said one writer in 1955: "It can be laid down almost as an axiom that those who appealed most strongly to Afrikaner sentiment, were the poorest in business skill and in sincerity of purpose".⁵⁶⁾ And in 1964 the complete swing to the non-sentimental approach appears to be reflected in the following statement: "It can only be expected of an Afrikaans Finance House or individual to invest in Afrikaans businesses if the latter are fully competitive with respect to security, future earning capacity and yield".⁵⁷⁾ While not representative of thinking in all Afrikaans circles, it is to a great extent indicative of the trend in actual practice. The concept of competitiveness is, of course, much more easily formulated than translated into a practical basis of conduct. When, at the start of a new venture, the security offered and the yield have a nil value, what discount factor is to be allowed in the judgement of its future earning capacity, and how is this latter to be weighted in comparison with the other two determinants? It is in such cases that sentiment today has a role, given that the names of the directors or initiators inspire confidence, and this role is still being fostered in a quiet manner by cultural organizations. But its significance among the small individual investors is minimal. If they risk their savings in

55) Dönges, T.E. at the Second Conference of the Reddingsdaadbond, Bloemfontein 14 July 1943.

56) Translated from Schumann, C.G.W. "Die Afrikaner in die Handel", Ekonomeiese Instituut, May 1955.

57) Marais, M.D. "Die Opkoms en Toekoms van die Afrikaner op Ekonomiese Gebied", Annual Dinner of the Germiston Saekamer, October 1964.

Afrikaner enterprise without exploring alternative avenues, it is because they are lacking in knowledge of such alternatives, or know the companies in question as employees, friends, relations and acquaintances of such personnel, or acquired their taste for risk investments through successful operations in shares of Afrikaner undertakings which have proved to be sound and profitable enough to obviate the necessity of looking further afield with more than a marginal degree of interest.

In commercial banking sentiment could be harnessed with greater facility than in other types of business. Savings and time deposits with commercial banks offered security, and the Afrikaner was not unfamiliar with this type of saving. It was fairly easy to reach, and acquire the custom of, the relatively small numbers of Afrikaans enterprises, municipalities, church councils and like institutions, and the more well-to-do individuals who have cheque accounts. In a negative way the campaign could be supported by emphasizing the inadvisability of having commercial banking business, a most strategic factor in the economy of a country, monopolized by foreign-controlled companies,⁵⁸⁾ an argument which had also been used with respect to enterprise in other sectors. The British-controlled Barclay's and Standard Bank countered by appointing local Boards in which some Afrikaans names figured prominently, while Netherlands Bank became a South African company, without, however, obliterating the old image. By this time Volkskas had been firmly established, and could compete on an equal footing.

It was in getting Afrikaans enterprises off the ground that sentiment served some purpose. Thereafter it was a matter of entrepreneurial and

58) Initially they refused clearing house facilities to Volkskas, just as the latter at a later stage was to buck at granting them to another Afrikaans newcomer in the field, Trust Bank.

managerial ability and initiative and in this the new generation of business leaders were not lacking.

The mobilization of purchasing power by appealing to sentiment presented a problem of a different order. To mobilize capital the initiators of new ventures had to appeal, by and large, to a few thousand individuals and institutions at most, while existing Afrikaner or other financial institutions could supply some loan capital. To be effective a "Buy Afrikaans" campaign had to influence hundreds of thousands of individuals. On the crest of the wave of emotions, stirred up by the war, the masses were responsive to persuasion. It did not last long. Already in 1939 it was maintained that Afrikaners were more critical towards their own people in business than towards others.⁵⁹⁾ In 1964 this statement was amplified to read that they demanded perfection from their fellow Afrikaners while accepting lower standards from others, and that sentiment would, in any case, draw them no further than the counter.⁶⁰⁾ The upper class or more well-to-do might go somewhat out of their way to support Afrikaans retail dealers and the products of Afrikaner factories. The rank-and-file are more interested in prices, quality and design of the article, credit terms, and the location of the business, if they do not simply drift into those nearest at hand.⁶¹⁾

Since the use of the language of the customer is usually an essential element of good service, it could be expected that the campaign had a potent ally in the form of the Afrikaans language itself. In actual fact it

59) Verwoerd, H.F. "Verbruikersverenigings" p.174 in F.A.K. Ekonomiese Volkskongres, 1939.

60) Marais, M.D. Loc. Cit.

61) Cf. e.g. Van der Merwe, A. The Buying habits of Afrikaners in Greater Cape Town (D.Comm. Thesis, University of Stellenbosch 1963).

has been more or less completely inoperative. Which does not imply that English speaking businessmen have not improved their service in this respect; only that the large majority of Afrikaners cannot be bothered to insist on Afrikaans as this very often involves the necessity of calling in the aid of a special bilingual assistant. In this respect, as in his political affiliations, the Afrikaner contrasted with his English speaking countrymen.

In a sample survey among Afrikaans speaking women in Johannesburg conducted by the Federale Raad van Afrikaanse Skakelkomitees during 1965, it was found that some 92½ per cent preferred to use English when shopping, 47 per cent because Afrikaans was not understood in the shops, cafes, restaurants, beauty salons etc. frequented by them, 25 per cent because they found it convenient, and the remainder from force of habit or their liking for it. The 7½ per cent minority were the better off and the better educated. The conduct of the majority was interpreted as a demonstration of an inferiority complex.⁶²⁾

The era of the sentimental appeal has passed. The Afrikaanse Handels-instituut has been urging its members for many years scrupulously to desist from employing sentiment as a means of attracting custom. The call to mass action had not met with success.⁶³⁾ In essence, the economic Risorgimento of the Afrikaner was the work of the few, and among them the entrepreneurs and scientific leaders occupy the place of honour. In this, of course, the Afrikaans community is not unique.

(d) The New Men.

While it was impossible to determine the significance of the various

62) Reported in Die Transvaler, Johannesburg, 23 November 1965.

63) The following remark in Patterson, Sheila. The Last Trek. P.173 "Most of (this new class of wealthy Afrikaners) came to wealth by exploiting Afrikaner sentiments and by catering to an Afrikaner public" is the kind of unscientific deduction based on the observation of two concurrent phenomena which are not functionally related.

motivational factors which might have induced the high κ achievement among the Afrikaners who were prepared or eager to assume the entrepreneurial function, the arrearage of their community in the business world and the 1939 call to action acted as a spur in the case of, at least, the leading personalities. Said one of the giants among the latter in this connexion: "The true entrepreneur should be a creator whose creative deeds are in the service of the community. He has to be so absorbed in this task, and to find such expression in its performance that no time or room is left for the consideration of personal gain. He should never set a commercial value on his services My own aspiration is to create employment opportunities for the Afrikaner in which he can apply his many talents to win for himself a place in the economy of our sunny land."⁶⁴⁾ While the few thousand who became owners of small or medium-sized undertakings in distributive trade were not New Men in the grandiose, Schumpeterian style, they certainly were deviant personalities entering a field of activity not greatly esteemed by their society, and in this sense their pioneering has been socially more exacting than that of their more illustrious colleagues who could exercise their function within the framework of the company and in the status of the company official. Without, or with a minimum of, experience all of them had to feel their way, in competition with a longer-established, experienced and financially powerful body of entrepreneurs who had large domestic and foreign sources of capital at their disposal. While their competitors could afford to delegate some of the five functions of entrepreneurial activity - technical adaptation or innovation, provision of capital, business promotion, risk-taking and business management - to specialized institutions or persons, they had to

64) M.S. Louw, in an interview with Tegniek, the Afrikaans Industrial Journal, Stellenbosch, June 1965.

assume most, if not all, of them. These problems loomed larger in the case of industrial entrepreneurship, and of the big concern, than among the smaller businesses in the distributive trade sector. Without detracting from the very significant contribution of the latter to the economic renaissance of the Afrikaner, attention can be directed to those personalities who were New Men not only in the context of the Afrikaans society, but in the broader South African, and in some cases perhaps even world, context.

Two men whose careers span two generations of Afrikaner entrepreneurs are C.R. Louw and M.S. Louw. The former, as director of the Nasionale Pers, demonstrated his business sense in 1915 when he bought a blockmaking business to serve the paper, Die Burger. Remaining in the thick of Afrikaner economic development he became the chairman of SANLAM, SANTAM, Afrikaner Homes Trust and Trust Bank.

M.S. Louw has been, and is, the innovator par excellence. Originally a teacher, he joined SANLAM, qualified as an actuary and was later promoted to general manager under whose leadership this insurance company became the second largest in its field. He was succeeded in this position by another able business leader, A.D. Wassenaar. He is the great exponent of the idea that the Finance House and other financial institutions are the key to Afrikaner progress in the business world. Thus was born Federale Volksbeleggings Bpk. He was the originator of Saambou Building Society, which developed into the sixth largest of its kind in South Africa in 23 years' time with total assets amounting to R87 million. Establishing Bonus Investment Corporation (BONUSKOR) in 1946, he was responsible for an innovation in the investment practices of insurance companies. Instead of following the usual procedure of adding bonuses to the sum assured, for eventual payment at the maturity of the policy, cash bonuses were declared which were diverted, with approval of the policy-holders of SANLAM, to BONUSKOR.

When later it was decided not to increase its issued capital in this way, its function was taken over by SANKOR, a subsidiary of SANLAM. Mainly a portfolio-investment institution at the beginning it branched out as a development company, establishing new enterprises in forestry, tea and coffee, sisal, sugar, cattle-farming, apple cider and fruit juices, and aircraft manufacturing. In this way the reasonable security provided by portfolio investments - from the point of view of paying dividends to the shareholder - could act as cushioning effect supporting the more risky ventures into new fields. Onetime president of the Afrikaanse Handels-instituut, active in public life, and director of numerous companies, M.S. Louw was the first recipient of the H.F. Verwoerd Prize for meritorious services to the Republic.

C.H. Brink, the first official of the Federale Volksbeleggings Beperk (F.V.B.) and the only one when it was founded, has been the driving force behind the activities of this giant concern. N.B. Coetzer who was the first commercial adviser of this company became the chairman and moving spirit in Federale Mynbou, a Mining House established by F.V.B. and whose assets amounted to R24 million in 1965. He engineered the link-up between F.V.B. and Anglo-American, which led to the assumption of control by the former of General Mining and Finance Corporation, an old established Mining House whose numerous interests encompass investments worth R250 million. T.F. Muller, a former technical director of Federale Mynbou and director of some forty companies, became managing director of General Mining.

The name of Trust Bank and of Jan S. Marais are inseparable. Starting from scratch in 1955 the assets of this company, exclusive of sizable hidden reserves, grew by leaps and bounds to touch the R300 million mark by the end of 1965. Full of ideas and very much alive to the most modern business methods Jan S. Marais developed this creation of the F.V.B., with

hire purchase and personal loan transactions as its principal activity, into a "one-stop bank" catering to all or most of the financial needs of the public, including commercial bank services.

Anton E. Rupert, dynamic spirit of the world-wide empire of the Rembrandt Tobacco group, is in a class of his own. Renouncing a university lectureship he started off in humble manner, but as a practical idealist with a talent for forceful marketing. New ideas on product promotion are his forte. Putting his creed of "industrial partnership" into practice, according to which the participation of local interests is a prerequisite, he joined forces with overseas tobacco companies until today the cigarettes manufactured by his group in 26 factories, situated in 16 countries, are sold in 160 countries on five continents. Believing in remaining ahead of competitors and the anti-tobacco campaign through research, his group established world leadership in the production and marketing of the king-size cigarette, the king-size filter cigarette, the menthol-filter cigarette and the king-size cigarettes with a "multifilter", the super-porous "multivent" paper and the ultra-modern gold band filter. His latest tie-up with a company in Germany will boost the turnover of the world group from R600 million to some R70 million. His new venture is the establishment of a liquor empire in South Africa, Oude Meester Cellars, which links up with Whitbreads of Britain and Heinekens of the Netherlands.

The founding and development of Volkskas, among commercial banks today the third in size after Barclay's and Standard Bank, and whose assets, together with those of subsidiaries such as Trans-Oranje Financing and Development Corporation run into R408 million, are coupled with the name of the late J.J. Bosman, its first general manager. He was succeeded by J.A. Hurter who initiated the Nasionale Building Society, which attracted deposits and capital to the tune of R41 million within the six years since its inception

in 1959.

G.J. van Zijl and A.P. du Preez helped to stake out the Afrikaner's claim for major status in the fishing industry.

Afrikaans speaking businessmen were responsible for rescuing and developing a large concern in the dairy and meat trade whose shareholders are even today all, or almost all, English speaking. They are also leaders in other industries which had not been initiated by their own language group.

In the clothing and knitting industry A.J.J. Wessels and A.J. Visser have successfully built up their respective undertakings.

M.V. Jooste is the moving spirit behind Afrikaanse Pers Beperk, printers and publishers. Nasionale Pers and its subsidiaries, publishers, among others, of Die Burger, child of the first economic movement, had been advancing from strength to strength under the able business leadership of H.R. Malan. J.G. van der Merwe has been a motive force in the Afrikaanse Handelsinstituut. C.G.W. Schumann, former professor of Business Economics, is one of the original directors of F.V.B. and grew up with the economic development of the Afrikaner.

The sphere of the public corporation, initiated by the State, is dominated by Afrikaans scientists. In ISCOR the pioneer H.J. van der Bijl was followed by H.J. van Eck, who has since become the moving spirit in the Industrial Development Corporation, ably assisted by G.S.J. Kuschke. For many years until 1965 ISCOR developed with rapid strides under the chairmanship of F. Meyer. In ESCOM the names of A.M. Jacobs and J.J. Hattingh stand out. In the oil from coal project, SASOL, P.E. Rousseau, originally industrial adviser to the F.V.B. group, is the driving force. M.M. Loubser was responsible for the type of locomotive used today by the vast government undertaking, the South African Railways and Harbours. S.M. Naude directs

the strategically important activities of the Council for Scientific and Industrial Research.

Around men such as these the place of the Afrikaner in the South African economy has been constructed. They were, of course, assisted and supported by Boards of directors or co-directors and loyal, conscientious and hardworking employees, the omission of whose names is by no means an indication of insignificance. From the ranks of the latter has now risen a cadre of executives who are assuming the entrepreneurial function as professionals, building on the foundations laid by the pioneers, or launching out on their own.

While initially the entry of the Afrikaner into the distribution sector, where the small-sized concern has, or used to have, a chance of success, had been emphasized, the modus operandi of business leaders has shifted in course of time to the large enterprise. The latest technological developments, it is maintained, is rendering it ever more difficult for individuals, genii excepted, to start a backyard industry and develop it successfully; more than 90 per cent of our industrial growth evolves from existing firms in the field or financial groups whose teams of technicians, financial experts and economists can explore new territory.⁶⁵⁾ This refers to manufacturing industry, but the statement would be equally applicable to distributive trade if "modern marketing methods" is substituted for "latest technological developments". Most often large resources are needed to make headway against the competition of firms already in the field. These premises, translated into a business approach, are clearly reflected in

65) See Rousseau, P.C. "Die Nywerheidswese en die Afrikaner", Herdenkingsfees 1964. See also Diederichs, N. "Die Afrikaner en sy toekomstige Rol in die Landseconomie", on the same occasion.

the results of Afrikaans entrepreneurial activity.⁶⁶⁾ With the funds mobilized through a finance house or related institution, a major or minor interest would be acquired in an existing concern, or new companies called into being. The former may already be in control of subsidiaries, while some of the latter would, in due time, become parent companies in their own right to form the nucleus of a separate empire. In this way a relatively small initial capital was utilized to achieve a maximum efficiency in terms of the value of investments eventually controlled. At times the various Afrikaans groups pooled resources to establish a new undertaking.

The careers of these entrepreneurs have demonstrated the truth of the saying that nothing succeeds like success. Once they have proved themselves they had easy access to the factors of production required for further progress. Lately they had been acquiring capital and technical know-how by borrowing from overseas banks and linking up with overseas companies and English speaking financial groups in South Africa.

An important factor, which has contributed to the development of the successful Afrikaans entrepreneur, has been the economic climate in South Africa. The war and post-war shortages and the resultant backlog of demand which could not be satisfied by means of imports, the inflow of vast amounts of foreign capital during 1947-1954, the inflationary pressures and rapidly rising prices and import control, formed the background to this emergence. At the beginning the import control system presented an obstacle, but in time its inhibiting effects were reduced, if not removed. At the same time it afforded greater protection than import duties could provide. It was easy to sell and make profits if you could produce, or acquire in

66) For an exposition of the business empires of the various Afrikaans groups, see Supplement to the Financial Mail, July 30, 1965: "The Expanding World of Afrikaner Business".

some other way, the necessary articles. The risks were a minimum; the marginal efficiency of capital was high, and the credit market very easy. The assumption of the entrepreneurial function was facilitated. The period, during which the production aspect in enterprise predominated, could be used by newcomers to acquire some experience and know-how and capital reserves, to draw upon when the return to more normal economic conditions caused the emphasis to shift to the pricing and marketing aspects. Those newcomers who were of the purely mushroom type succumbed. The determined ones turned to good account their initiation during the period of grace. Afrikaners were among them.

Naturally, English speaking South Africans had the largest share in the business promotional activity, and as such they were mainly responsible for raising the level of economic activity and the national product, and thus providing also Afrikaners with more and progressively better paid jobs. In consequence, the spending power and savings potential of these latter increased, enabling them better to afford higher education and training for their children. The State reaped the fruits of the economic growth in the form of larger tax revenues, and could, in its turn, tackle new projects or expand existing ones in the interests of the less privileged.

An economic factor which redounded somewhat specifically to the advantage of the Afrikaner, since he is the dominant group in the sector affected, was the sharp rise in the prices of agricultural products, from 66.8 in 1948 to 100.0 in 1953, mainly due to external circumstances, after they had been subjected to depressed conditions over many decades. The profits realized thus provided a stimulus to agricultural development, by way of an unprecedented wave of capital formation, whose effects linger on.

VI. A quantification of the Afrikaner's Role in the Economy.

For the purpose of determining the role of the Afrikaner in the South African economy in quantitative terms, 60 per cent of those who speak both English and Afrikaans at home are allocated to the category of the Afrikaner. Since the numbers involved are small the effect of this allocation is, however, insignificant. The changes in the occupational distribution of the Afrikaans speaking labour force between 1946 and 1960 and their impact on the composition of each occupation vis-a-vis the other language groups can be ascertained by referring to Table 2.

Table 2.

Occupational Distribution of Afrikaners^{a)} 1946, 1960

Occupational category	Percentage Distribution		Over-representation (+) and Under-representation (-) b)	
	1946	1960	1946	1960
Professional, Technical and Related	6.5	9.0	-16.3	-12.0
Administrative, executive and managerial	0.9	2.5	-33.9	-26.5
Clerical	10.0	21.0	-16.3	- 7.5
Sales workers	4.5	5.6	-25.9	-19.0
Farmer, Fisherman, Lumberman	30.3	16.0	+32.1	+30.5
Mining and Quarrying	3.8	3.5	+10.0	+15.5
Transport and Communication	13.1	9.0	+19.4	+23.0
Craftsman, Production worker, Labourer	20.7	25.0	- 5.4	+ 2.5
Service, Sports & Recreation	6.7	6.0	- 3.7	+10.5
Unspecified	3.5	2.4	+ 3.8	+10.5
TOTAL	100.0	100.0	0.0	0.0

a) 60 per cent of those speaking both Afrikaans and English at home have been allocated to the category of Afrikaners.

b) Afrikaners as percentage of white workers in each class minus Afrikaners as percentage of total white labour force.

Source: Population Censuses. The 1946 and 1960 classifications did not agree, and the 1946 data had to be adjusted to obtain comparability.

The figures in table 2 depict, in the main, a movement of workers away from agriculture and into non-agricultural occupations, and among the latter from the less skilled to the skilled, from manual work to office and service occupations, and from the low-paid jobs to the more remunerative ones. Distinguishing three broad categories of occupations, the following historical trend is noted:-

	<u>1936</u> ⁶⁷⁾	<u>1946</u>	<u>1960</u>
Agricultural occupations	41.2%	30.3%	16.0%
"Blue Collar", and other manual	31.3	40.7	40.5
"White Collar"	27.5	29.0	43.5
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

The percentage of Afrikaans speaking workers accommodated by agricultural (including forestry and fishing) declined by nearly two-thirds between 1936 and 1960. The majority of those who left the rural areas found refuge in the Railways, gold mining, personal service and manufacturing, mostly as unskilled or semi-skilled workers, due to their lack of training and, in some cases also, of adequate education. Others became policemen, civil servants, post office workers and teachers, raising slightly the proportion in the "white collar" category between 1936 and 1946, in comparison with a pronounced expansion of the "blue collar" class, concomitant with the industrialization of South Africa. This latter class retained its relative numerical representation during 1946-1960, but its composition in qualitative terms changed greatly. There was a movement from transport and mining occupations into manufacturing to the extent of turning an under-representation into an over-representation in the

67) For 1936 home language was cross-classified with Industries, not Occupations. Some detail made it possible to aggregate workers in the three broad categories, without, however, permitting the classification set out in table 2.

latter occupations, and the number of unskilled workers dwindled to insignificant proportions.⁶⁸⁾ During the same period the percentage of the Afrikaans labour force in White collar jobs increased from 29.0 to 43.5 per cent, the greatest improvements having been registered in (i) Administrative, executive and managerial positions, (ii) clerical jobs, and (iii) professional, technical and related occupations, in this order. In these three categories, as among sales workers, the Afrikaner is still under-represented, in terms of his share in the total white labour force, but the degree of such under-representation has diminished, as can be seen from columns three and four of table 2. In all the other classes he is over-represented, and the degree to which he is that, has been rising between 1946 and 1960, agriculture excepted. He dominates the following occupations: education, driver of road vehicles and railway locomotives, guard, checker and shunter, mechanics, bricklayers and plasterers, machine attendants, policemen and civil service.

In sum, while the occupational status of the Afrikaner is, on the average, still inferior to that of his English speaking countrymen, the gap has narrowed considerably. Of special interest is the labour force performance of Afrikaans women. In 1936 only 13 per cent of those fifteen years and older were economically active and one-sixth of them were in domestic service. By 1946 their rate of participation had grown to 18 per cent and in 1960 it was 23.2 per cent, which, however, is still lower than that of the other language group. They became teachers, nurses, shop assistants and clerical workers on a large scale, leaving fewer than 4 per cent in domestic service by 1960.

68) In the 9 biggest towns in 1926 Afrikaans speaking unskilled labourers formed the largest single group out of twelve, and were over-represented to the extent of 37.5%. Cf. Pauw, S. Loc.Cit. p. 225.

The narrowing of the occupational gap is pertinently reflected in the narrowing of the income differential. The relevant personal income ratios, with the arithmetic average per capita income of Afrikaners equal to 100, are as follows⁶⁹⁾:-

	<u>Per income earner.</u>	<u>Per capita of total population</u>
1946	100 : 180	100 : 209
1955	100 : 138	100 : 170
1960 Total	100 : 125	100 : 155
1960 Rural	100 : 113	100 : 136
Urban	100 : 134	100 : 164

While the average income-earner among the English speaking group had disposal of 80 per cent more income than his Afrikaans counterpart in 1946, the excess had declined to 25 per cent according to the 1960 census data. The smaller differential among rural earners is not unexpected. The economically active Afrikaners in rural areas are, for the greater part, entrepreneurs in agriculture, and these farmers are not peasants operating on small landholdings. The overwhelming majority of urban Afrikaans workers, on the other hand, are employees, the more remunerative employer's function being performed mostly by English speaking persons.

When personal income is translated into an average per head of the total population, the differential becomes 100 : 155 in 1960, compared to 100 : 125 with respect to income-earners alone. This is the result of two factors: the higher dependency ratio among Afrikaners stemming

69) Based on figures supplied by the Bureau of Statistics. It was assumed that the degree of error in income reporting was the same for Afrikaners and non-Afrikaners. The income distribution of the two groups, in terms of the Pareto curve, was almost identical in 1960.

from their higher level of fertility, and the lower propensity to participate in the labour force on the part of Afrikaans speaking women. Still, the difference was much smaller in 1960 than in 1946 when the income ratio amounted to 100 : 209. The average English speaking man, woman or child now only has 55 per cent more income at his disposal than their Afrikaans speaking countrymen; while it used to be 109 per cent two decades ago.

Here we have an example of a reduction in inequality between developed and underdeveloped communities; a somewhat exceptional occurrence in present-day international economic experience. Compared to the latter, the South African situation was favoured by demographic conditions, rich mineral resources, a Risorgimento which accorded new significance to the economic factor in the society's set of values, and the fact that the underdeveloped community had the strategic factor of production, the entrepreneur, of the developed community in their midst.

Table 3.

The Afrikaner's^{a)} share in the Private Sector of the S.A. economy in the entrepreneurial function (in Percentages)

	<u>1938/9</u>	<u>1948/9</u>	<u>1954/5</u>	<u>1963/4</u>
Agriculture, Forestry, Fishing	87	85	84	83
Mining	1	1	1	10
Manufacturing	3	6	6	10
Trade & Commerce	8	25	26	31
Transportation		9 ^{b)}	14	14
Liquor & Catering		20 ^{b)}	30	30
Professions		16	20	27
Finance	5	6	10	21
Miscellaneous		27	35	36
AGGREGATE		24.8	25.4	26.3
AGGREGATE EXCL. AGRICULTURE		9.6	13.4	18.6

- a) 60 per cent of those speaking both English and Afrikaans at home have been allocated to the category of Afrikaners.
- b) These percentages are no more than guesstimates, but are not important in the overall picture.

Sources: Survey of the Economic Institute of the F.A.K. 1948/49
Sadie, J.L.: Die Afrikaner in die Landseconomie (South
African Broadcasting Corporation 1957); Bureau of Sta-
tistics, Population Censuses; Balance Sheets and Pro-
fit and Loss Accounts of Companies; Censuses of Distri-
bution and Service Establishments 1946/7, 1952, 1960/61.

It shows that the monopolisation of Agriculture (including Forestry and Fishing, which are of minor importance) by Afrikaans farmers is not quite what it used to be, but they are still holding the sway. The Afrikaner's first breakthrough in the business world occurred in Trade and Commerce, in line with the strategy formulated at the 1939 People's

Economic Conference. He pushed up his share in this sector from 8 per cent in 1939 to 25 per cent in 1949, by way of establishing thousands of small undertakings in the general retail and automobile trade. Three-quarters of them are one-man enterprises.. It would appear that the progress registered since 1949 was in large measure due to the activities of agricultural co-operatives whose turnover increased from R222 million in 1949 to R666 million in 1962.⁷⁰⁾ Responsible for one-third of the Afrikaner's participation in Trade and Commerce in the former year, its share rose to an estimated 45 per cent in the latter. Having been placed in a favourable position by the Marketing and Co-operatives Acts and being fairly large concerns, with an average turnover of more than R2 million each, they could maintain themselves in the competitive struggle and improve their financial position more easily than the small private businesses.

The highest rate of steady progress, realized by way of the establishment of new enterprises, has been achieved in Finance, where the Afrikaner's share, in the entrepreneurial function, rose from 5 per cent in 1939 to 21 per cent in 1964. Volkskas is responsible for 21 per cent of commercial banking business, while Trust Bank ranks first among hire purchase banks. Again, this is in accordance with strategy discussed at the 1939 conference.

The most spectacular rise, and also the highest if modus operandi is not a consideration, was recorded in Mining, where the percentage shot up from less than 1 per cent before the establishment of Federale Mynbou

70) Van Rensburg, H.C.J. Koöperasie in Suid-Afrika p. 42 (Government Printer, Pretoria 1964). Part of this turnover is to be credited to the manufacturing and services sector.

Beperk to 10 per cent in 1965.⁷¹⁾ It was realized in what was probably the only manner, namely, by taking over one of the eight giant Finance Houses which control gold and coal mining in South Africa. In this way, together with the existing productive facilities of Federale Mynbou, the Afrikaner gained control over 10, 28 and 18 per cent respectively of gold, uranium and coal output, and the last mentioned percentage is planned for an increase to 23 by 1970.

The progress in Manufacturing⁷²⁾ was achieved as the result, mostly, of the activities of the Finance Houses and their subsidiaries, other financial institutions, a few large agricultural co-operatives, and Rembrandt Tobacco Corporation. Still only 10 per cent, the share is, nevertheless, three times as large as before the Second World War. The Federale Volksbeleggings group is evidently on its way to becoming a giant in the chemical industry. It has led the consortium which took over Klipfontein Organic Products from the State, and co-operates with English speaking and foreign interests whenever it can do so advantageously.

In the liberal Professions - which are more exclusive than the category of Professions in the occupational distribution - the Afrikaner has nearly doubled his participation as employer or own-account worker between 1949 and 1964, and, quite probably, trebled it since 1939. He has also made some headway in the other, less important, sectors of the economy.

Of more than ordinary interest is the activity of the Afrikaner in the newspaper world. The three big concerns, Nasionale Pers, Afrikaanse Pers and Voortrekkerpers, with assets totalling more than R9 million, apart from having a lion's share in the printing and publication of books,

71) Including this 10 per cent in the 1963/4 figures of table 3 was somewhat premature. It refers ~~to~~, more correctly, to 1965.

72) The contribution of the public corporation, Iscor, which is included in Private Manufacturing by the Bureau of Statistics, is excluded here.

have pushed up the circulation of Afrikaans daily and weekly newspapers from 15.3 of all Afrikaans and English medium papers of this type in 1950 to 20.8 per cent in 1965, when calculated on a daily basis.⁷³⁾ These figures are raised when circulation is translated into annual figures, in the latter case to 31 per cent. The proportion of total advertising expenditure allotted to those newspapers has, however, barely kept pace with this progress. The data for January to June 1965, converted to annual figures, show that while the daily and weekly newspapers and weekly journals controlled by Afrikaans publishers had a circulation equal to 34 per cent of the total, they netted only 22 per cent of advertising expenditure. Apart from a probable under-evaluation of Afrikaans papers as advertising media, founded in a situation obtaining twenty and longer years ago, and the fact that advertising agency business is dominated by English speaking persons, half of them foreign born and trained outside South Africa, the phenomenon may also be a function of the "liberal" reading habits of the Afrikaner, not found among the English speaking section. It is a rare event for the latter to read an Afrikaans newspaper or journal. A very considerable portion of Afrikaans readers in urban areas either read both Afrikaans and English papers or only the latter.⁷⁴⁾ Various reasons for this state of affairs have been advanced, which need not be dwelt upon here.⁷⁵⁾ The economic implication, however, is that both the Afrikaans- and English speaking public are reached through English medium publications; which does not apply to Afrikaans papers.

73) Based on data made available by Market Research (Pty.) Ltd., Franklin Research (Pty.) Ltd.,

74) Cf. Potgieter, C.J. 'n Ontleding van 'n Paar Ekonomiese Aspekte van die Reklame in Suid-Afrika p. 147 (D.Comm.Thesis, Potchefstroom University, 1963).

75) See, for instance, Die Suid-Afrikaanse Beeld, 21 November 1965; and Potgieter, Ibid.

When the considerable upward changes mentioned above are compared to the aggregated (weighted) percentages, depicting the Afrikaner's overall share as entrepreneur in the private sector of the economy in 1949, 1955 and 1964, the latter appear incongruous. From 24.8 in 1949 it expanded to no more than 26.3 per cent in 1964. This seemingly tardy progress arises from the decline in Agriculture's contribution to the net domestic product, the sector in which the Afrikaner predominates. If this industry is excluded, it is seen that he has doubled his participation as employer and own-account worker in the non-agricultural sphere of economic activity during this period of fifteen years, i.e. from 9.6 to 18.6 per cent. If the government's economic activity were allotted to him his total share would go up to 42.7 per cent in 1964, while that of previous years would be raised in approximately the same degree.

An attempt has been made to estimate the amount of Private Income generated and earned by the Afrikaner in his capacity as Employer, worker-on-own-account, employee, property owner and investor; which excludes transfer payments received from the State. The assumptions were as follows: The degree of error in income reporting in the 1960 census was the same for Afrikaners and non-Afrikaners; the ratios based on these data apply to the 1964 personal income of the white population; the distribution of the national and personal income between whites and non-whites as determined for the year 1956/57 holds also for 1964.⁷⁶⁾ The tentative estimate arrived at allots R2,000 million, or 44.7 per cent of the R4,470 million private income earned by the whole of the white population, to the Afrikaans speaking community. This is a good deal smaller than its 58 per cent share in the total white population (or 58.9 per cent when sixty per cent of those who

76) See Retief, A.J. Die verdeling van die Suid-Afrikaanse Volkseinkome volgens Rassegroepe 1956/57 (H.Comm.thesis, University of Stellenbosch 1959) as revised by Muller, A.L. Die Ekonomiese Posisie van die Afsaant in Suid-Afrika en enkele ander gebiede in Afrika (D.Phil thesis, University of Stellenbosch, 1963).

speak both English and Afrikaans are added to the latter group). Still, it is an improvement on the 39 per cent estimated for 1954/55,⁷⁷⁾ and, in all probability, a great improvement on any figure relating to the period before the fifties. As is to be expected the Afrikaner's performance with regard to savings, which amounted to some 28 per cent of all net savings generated by the white community in 1964, cannot be very impressive. Even so it represents some advancement on the 23 per cent level of 1954/55, and the absolute amount of funds involved is steadily rising. Of greater significance, perhaps, is the fact that while only the minority of individual savers are as yet interested in risk investments, the minority is growing quite rapidly in size. In this field "economic consciousness" has been stimulated less by an active campaign than by the many opportunities for profit realization offered by the stock exchange during the years 1962-1964.

In summary, while the Afrikaner is still occupying a backward position in the economy, his arrearage has been greatly diminished since the Second World War.

77) See Sadie, J.L. Die Afrikaner in die Landseconomie Loc. Cit. p.33.

VII. Conclusion

The economic history of the Afrikaner is a classical demonstration of the operation of circular and cumulative causation, in which economic and non-economic factors are mutually interdependent. This history can be fitted into the framework of a socio-economic growth schema which distinguishes various stages, with "economic development proper" occurring in the third and defined as follows: "a rise in the national product per capita, the benefits of which are reasonably distributed among the population, which is accompanied by cumulative additions to the national wealth and is continued, albeit with interruptions, over a period of a generation or longer, and which is an endogenous process, i.e. carried forward by the society itself, whatever might have been the original spark".⁷⁸⁾

At the beginning of this century, we meet a people the majority of whose way of life had been generated in the isolation of the veld, far removed from the currents of the industrial, social and political revolutions which had been sweeping Europe. Even that part of the population which did not participate in the inland movement, remained agrarian in outlook and character. They were an underdeveloped society oscillating between the first and second stage of economic growth, some living comfortably, others eking out an existence by exploiting natural resources whose productivity was not being preserved because of unscientific cultivation arising, partly, from demographic pressure. Their economy, in which the market mechanism played a minor role, was dominated by a set of cultural values and psychological attitudes which did not permit of positive change. Added to this, a major portion of their national wealth, which had resulted from some capital formation in the form of a stock of cattle, horses and sheep, was destroyed by the enemy, while the remainder was continually threatened by an unaccommodating nature.

⁷⁸⁾ See Sadie, J.L. "The Socio-economic determinants of Economic Growth" (or "Economic Development is a way of life"), Loc. cit.

On the one hand these people were not considered by the members of the conquering group as simply an unprivileged class of white society, but as a people apart, the lesser breed, who might share the advantages of the privileged group if they renounced their national association or, at least, accepted English as their means of communication. On the other hand they were caught in the vicious circle of poverty begetting poverty. This poverty, reinforced by the attitude of the conqueror toward the vanquished, led to discrimination by the more developed group, giving rise to a continuation of the vicious circle which, in its turn, fed the antipathy and prejudice towards the Afrikaner people. The isolation of the Afrikaans and English speaking groups inhibited the "spread effects" of the latter's economic endeavours. Shortages of workers in the semi-skilled, skilled and professional categories were made good by importing them, rather than by training manpower locally available. In unskilled jobs non-whites were preferably employed.

The surplus agricultural population was being pushed off the land. While relieving demographic pressure on the latter, rural underemployment was transferred into urban unemployment. Unprepared for the type of opportunities offering in the town the rural immigrants became a peripheral urban community subject to social disorganization, but without the potentially progress-inducing effects of the latter. Instead the initial impact was characterized by retrogression.

The first response to this situation assumed the form of action in the political sphere. An Afrikaner leader, General Hertzog, raised the standard of "South Africa first". The founding of a paper to mobilize forces in support of the Nationalist leader is the first significant business undertaking whose main aim was not, however, profit making. This was followed by the establishment of two insurance companies and a few other businesses.

These commercial ventures, while representing an innovation, were business institutions on the fringes of the society only, and could make very little impression on the overall picture.

The advent of political power introduced a more potent factor into the system. Through its salvaging operations, represented by a "civilized labour" policy, the government checked retrogression among those already unemployed and underemployed, and thus promoted the stabilization of a sort of low level equilibrium. Its policy of protection created an economic climate conducive to industrial capital formation, and its agricultural policy brought some stability to this depressed sector, a mainstay of Afrikaner households. The provision of educational and training facilities improved the quality of the population as factor of production, and the application of the principle of bilingualism increased the opportunities open to them, at least in the civil service and the teaching profession. The middle class was being strengthened, and thus was expanded the potential source of future economic initiative and enterprise. The government's assumption of the entrepreneurial function in the commercial sector provided a practical training ground for Afrikaner scientific and business leaders as well as opportunities for those in the lower echelons.

The recognition of Afrikaans as an official language was a fountainhead of national pride and, as a factor identifying and consolidating the community, formed a rallying point of a peoples' endeavours in which the economic and non-economic elements were indissolubly interwoven.

At the beginning of the Second World War the community was well advanced in the second stage of economic growth but had not yet reached the phase of economic development proper, its progress having been mainly determined by exogenous factors. While the action of a people's government could be considered endogenous, it was still, for the most part, superimposed on, and determined by, the economic conditions generated by English

speaking entrepreneurial initiative. Its own enterprise in the private business sector did not, and in the private capitalist system could not, assume major proportions. And even while it was steadily building up a middle class, the population was growing rapidly and the numbers of the impoverished, untrained, uneducated and unskilled were swollen concomitantly.

These latter were absorbed into the economy in the scramble for manpower during the war, some finding refuge in the military forces and others benefiting by the shortages in the civilian labour force. The cumulative economic process set in motion by the world conflict, was further stimulated by its aftermath of short supplies of goods, the unsatisfied backlog of demand, and the inflow of foreign capital. The resultant capital formation in South Africa, since it was for the greatest part still undertaken by the English speaking businessmen, represented a further factor external to the Afrikaner people which raised the economic level of the latter. The brisk demand for labour, which could not be satisfied from the ranks of the English speaking community or immigrants, pulled the once-redundant Afrikaans workers into progressively more remunerative positions. The rapidly rising prices of agricultural products, due also to exogenous forces such as the World War and the Korean War, for once brought prosperity over a fairly long period to agriculture, and thus to thousands of Afrikaners, whose average landholdings could now increase to the size of economic units, while underemployed rural manpower was being attracted into urban industry.

Thus Afrikaans society was drawn out of the vicious circle of poverty and transferred into a potentially cumulative process of sustained economic progress. Instead of struggling merely to make ends meet, they now had scope for raising their level of living, according their children better opportunities than they themselves enjoyed, and indulging in investments

which involved some risk. These propitious circumstances favoured the growth of the endogenous factor which ushered in the stage of "economic development proper", and placed the Afrikaner among the prime movers in economic growth.

This endogenous factor was the New men who answered the appeal to action to rescue a people at that time still burdened by some 300,000 members degenerating in the vicious circle of impoverishment ~~and degenerating in the vicious circle of impoverishment~~ and degradation. It was a call to the social conscience for an economic Resorgimento of the Afrikaner. While initially a certain amount of mass action and sentiment was not without its usefulness, in the longer run it was the quality and activities of the relatively few which proved to be of lasting significance. Men of bold imagination and energy appeared on the economic horizon from within the community itself. Imbued with a spirit of enterprise which they wished to apply in the economic field, they were innovators who graduated out of traditional society. That their innovations consisted of no more than an adaptation of economic processes already well-known among the more developed English speaking community did not make them rank lower in inventiveness or creativeness. The essential point is that their economic actions were different from those preceding them in the same society. A few thousand entered the field of the distributive trade. The acquisition of an increasing share as entrepreneur in this field was facilitated by the existence of agricultural communities with common interests whose business dealings could be channelled through co-operatives. Requiring more business acumen and technical know-how, the assumption of industrial entrepreneurship was of a more exacting nature. Here the capital mobilized through Finance House formed the basis of operations in which new enterprises were established or a controlling or major interest obtained in existing ones, some of which in their turn served as springboards for further expansion.

It is a premise of the business leaders that the large, financially powerful, concern is the most effective means of increasing the share of the Afrikaner as employer in the economy. Another premise is that they appeal to the Afrikaans consumer only by way of the quality of their product and service and not by invoking sentiment. These enterprises, and those established by the government, offered the necessary opportunities for the training of managers and other executives who can continue the work of the old guard who lacked this background and had to learn-by-doing. It has been suggested that this latter circumstance constituted the strength of the Afrikaans economic leaders: if they had knowledge beforehand of the kind of problems they were to run into they might not have attempted what they did.

Success bred further success in a cumulative upward progression. They gained the confidence not only of their own people - which perhaps was the most difficult of all hurdles - but also that of the English speaking community. Already in 1950 professor H.W. Hutt, dean of the Faculty of Commerce of the University of Cape Town, stated that prejudice against Afrikaners in business was a thing of the past, and that he felt optimistic about the future of South Africa if they continued thus to play their part in the economy.⁷⁹⁾ In messages delivered to the Second People's Economic Conference held in 1950, two leaders of the English speaking community declared that the unfruitful years of acerbity were past and that many South Africans of British descent were prepared and anxious to build bridges. It was sincerely hoped that "the conference would pave the way to a cultural, financial, industrial and commercial advancement of South Africa based on the sure foundations of an all-embracing South African nationhood...."⁸⁰⁾

79) Hutt, W.H. commenting on Schumann, C.G.W. "Die Ontwikkeling van die Afrikaner op Ekonomiese Gebied gedurende die afgelope 50 jaar", Annual Meeting of Die S.A. Akademie vir Wetenskap en Kuns 1950.

80) Translated from "Boodskap van mnr. R.H. Harvey" in F.A.K.et.seq. Verslag van die Tweede Ekonomiese Volkskongres (1950).pp.19-20 (Voortrekkerpers, Johannesburg 1950).

If this was interpreted as little more than a pious wish fifteen years ago, it is now being translated into reality.

English speaking businessmen are eager to co-operate with Afrikaans speaking colleagues. Partly it is for reasons of their own economic interests, believing as they do that the authorities might be more responsive to the appeals of their colleagues. This, however, can hardly be the reason for Mr. H.F. Oppenheimer's transaction with Federale Mynbou through which the latter, with an investment of R24 million, acquired virtual control over the General Mining group whose investments are valued at some R250 million. A contributing factor is that they cannot see themselves attaining political power as a separate group; and to wield some influence they have to seek the co-operation of the politically dominant section. Of overriding importance, perhaps, is the fact that the English speaking citizens have undergone a metamorphosis. From being an appendage of the British nation they have changed into South Africans. While this has been, in the nature of things, a gradual process, it has been greatly accelerated during the past few years in which the English speaking section, or most of them, formed the impression that Britain was selling the white man in Africa down the river! It had reached the stage where editors of some English medium newspapers, fighting a sort of rearguard action, are accusing their compatriots of being anti-British. A contributory factor has been the increasing degree to which they have become a South African-born population. The foreign-born element among them decreased from 38.4 per cent in 1911 to 24.3 per cent in 1960, and their average period of residence increased. In the atmosphere created by the resultant broader South Africanism, language and cultural differences lost some of their significance.

Co-operation with Afrikaners was rendered easier by the changes which had taken place among the latter. It is a characteristic of the stage of

"economic development proper" that, when its effects have filtered thorough to a sizable section of the population, the hold of social traditions weakens and economic progress looms large as an element in the set of values. The role of social and economic factors are being reversed; social mores, which in the first and second stage were the determinants of the economic system now become, in large measure, the determinates; a function, that is, of economic relations and changes. In the result the value systems of the two language groups are converging and the image of the Afrikaner society has been transformed. It is no longer associated with the impoverished, the unskilled, the rustic, or the stupid farmer. Its members are regarded as equals - for all practical purposes, at least. This, too, fits into the process of cumulative causation. "For experience shows", according to Myrdal⁸¹⁾, "that if, by some chance, discrimination in a particular field of social contact is ... decreased, the psychological force behind it, i.e. prejudice, tends to change to support actual behaviour;" although a charitable interpretation in the present context might have it that the original force was not pure prejudice.

Businessmen, regardless of whether profit-making and expansion may be an ultimate end among the English speaking fraternity, and an intermediate aim among Afrikaners, in any case speak a common "language". They form a community of interests. They are competitors, but no more so than the individuals of each group among themselves; no more than, for example, the Saambou and Nasionale Building Societies or Volkshkas and Trust Bank within Afrikaner circles. In this connexion it was stated that "an important by-product of the Afrikaner's emergence in the business world and his increasing contact with non-Afrikaners in this field ... is that the

81) Myrdal, Gunnar. Economic Theory and Underdeveloped Regions, p.17 (Methuen, London, 1963).

two groups cultivate better understanding and greater respect for one another, a development which cannot but permeate the two societies in their entirety. In consequence the Afrikaans language is increasingly acquiring recognition."⁸²⁾ Leading Afrikaans businessmen and scientists, while pointing out the difference between co-operation and assimilation (which is destructive of identity), have stressed the necessity of co-operation with other groups to realize the economies of size, to broaden the pattern of marketing, spread the financial risks, afford research and exchange technical and commercial know-how.⁸³⁾ The Minister of Economic Affairs supported this view on the condition that foreign interests did not use co-operation as a means to bring pressure to bear upon the government in respect of its political policy.⁸⁴⁾ Dr. C.R. Louw, chairman of SANLAM stated in his 1964 Report that he was "pleased to be able to mention that we have succeeded over the years in establishing good relations with various South African organisations outside the Afrikaans group. In economic affairs there is a conspicuous desire for co-operation among all groups". Others have it that the take-over of established concerns in the hands of English speaking businessmen is the quickest way of extending the economic power of the Afrikaner, for in this way control can be acquired over large business empires with a relatively small capital outlay, while the new management inherits a vast amount of experience and know-how embodied in the English speaking personnel. At the same time it serves the cause of bilingualism. The link-up between Federale Mynbou and General Mining is a case in point. The latter has been turned into a bilingual

82) Translated from du Plessis, E.P. In Volk Staen Op .. p.237.

83) Rousseau, P.E. Loc. Cit.

84) Diederichs, N. Loc. Cit.

company. The hundreds of English speaking employees have learnt Afrikaans and take pride in using it. In the olden days anglicization of Afrikaners very often resulted from the fact that their progress in the enterprises of the other language group was dependent on their making common cause with the latter. While it is difficult to say whether the incentive is the same, it is reported that the reverse process is occurring in General Mining, to the extent of members of the personnel changing their political affiliations.

It is considered a major breakthrough for the Afrikaner and the Afrikaans language in the mining industry.

At the same time the above link-up brought to a head differences of opinion among Afrikaner business circles with regard to the when, where and how of co-operation with economic interests among the other language group, and revealed a "cautious" element. It would seem to consist of those who tend to be politically party-minded and who fear a drifting away of businessmen from the narrow party line or who, because of contact with government circles involving personal relationships and other interests, would prefer to preserve the strongest links.⁸⁵⁾ In this schism the admonition of the Prime Minister, leader of the Nationalist Party, that capital should not become estranged from the nation, sounded meaningful. To this element the idea of the "common language", mentioned above, is anathema. They are the minority who, like some English speaking newspaper editors, fight a rearguard action. Social and economic forces appear not to promise a great future for it.

These same forces, with the pride of place, according to the above analysis, to the economic ones, raised the incidence of bilingualism among the white population of South Africa seven years and older from 58.5 per

85) One of the leaders of this category became a Nationalist Party nominee for the 1966 general election.

cent in 1926 to 72.9 per cent in 1951, and to 78.6 per cent in 1960. During the same period unilingualism among the Afrikaans speaking population declined from a level of 35.0 per cent to 16.5. Among English speaking white South Africans the decline was slower up to 1951, but accelerated thereafter to exceed that of the Afrikaans speaking by a considerable margin, and to reduce the incidence of unilingualism in their case to 25.5 per cent in 1960.

In the last resort - still within the framework of the process of cumulative causation - social and economic forces have to some extent also been the result of the growth of bilingualism; that is, they have been shaped by the breaking down of the language barriers.

